

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
VANYA STEELS PRIVATE LIMITED
BANGALORE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VANYA STEELS PRIVATE LIMITED** ("the company"), which comprises the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2022 and its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. 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, 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.

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

Auditor's Responsibility 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.

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 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 controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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.
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.



- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B" of this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 42 to the financial statements.
 - ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall
 - 1. 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
 - 2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall
 - 1. 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
 - 2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under the sub clause (iv) (1) & (2) contain any material misstatement.



R. Singhvi & Associates
Chartered Accountants

v. No dividend has been declared or paid by the company.

- h. With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the Company is incorporated as a private company and thus the provision of section 197(16) of the Act are not applicable to the Company.

For R. Singhvi & Associates,
Chartered Accountants,

(Firm's Registration No. 003870S)

CA Subhash Chand Singhvi

Partner

(Membership No. 024534)

UDIN: 22024534BDYFKQ2354

Date: 27th September 2022

Place: Bangalore



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 to the Members of **VANYA STEELS PRIVATE LIMITED** of even date)

- i. In respect of the Company's property, plant & equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment and intangible assets;
 - b. The property, plant & equipment of the Company were physically verified in full by the management at reasonable intervals during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
 - e. According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of the company's inventory,
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies in excess of 10% were noticed on such physical verification for each class of inventory. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
 - b. The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The deviations noted between the books of accounts and the quarterly returns/statements filed with such banks and financial institutions have been disclosed in Note no 55 of the financial statements.
- iii. According to information and information given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, thus the paragraph 3(iii)(a) to 3(iii)(f) of the order is not applicable to the company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The Central Government of India has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the activities carried on by the company. In



our opinion and as per the information and explanation provided to us, all the accounts and records as specified have been maintained properly.

vii. According to the information and explanations given to us, 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 of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the company examined by us, the statutory dues which have not been deposited with the appropriate authorities on account of dispute are as follows –

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------|--------------------|-----------------------|------------------------------------|------------------------------------|
| The Income-Tax Act, 1961 | Income Tax | 229.31 | AY2015-16 to AY2021-22 | CPC, Income Tax and others |

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. In respect of loans taken by the company,

a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any lender.

b. The company has not been declared wilful defaulter by any bank or financial institution or any lender

c. The term loans obtained by the company have been applied for the purpose for which it had been obtained.

d. On an overall examination of the financial statements of the Company, no funds raised for short term basis have been utilized for long-term purposes.

e. 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, associates or joint ventures.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. A. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not raised moneys by way of



initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.

B. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year, and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.

- xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year. Hence, reporting under clause 3 (xi)(a)(b)(c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii)(a)(b)(c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has an internal audit system commensurate with the size and nature of its business. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence requirement to report on Clause 3(xv) are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. As such, reporting under Clause 3 (xvi) is not applicable for the company.
- xvii. The company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing, business profitability and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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



R. Singhvi & Associates
Chartered Accountants

guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For R. Singhvi & Associates,
Chartered Accountants,
(Firm's Registration No. 0038709)



CA Subhash Chand Singhvi
Partner
(Membership No. 024534)
UDIN: 22024534BDYFKQ2354
Date: 27th September 2022
Place: Bangalore

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **VANYA STEELS PRIVATE LIMITED** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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:



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) 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 with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Singhvi & Associates

Chartered Accountants

(Firm Registration No. 003870S)

CA Subhash Chand Singhvi

Partner

Membership No. 024534

UDIN: 22024534BDYFKQ2354



Place: Bangalore

Date: 27th September 2022

Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Balance Sheet as at March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

| | Note | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|------|-------------------------|-------------------------|------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | 3 | 6,568.22 | 3,465.04 | 3,625.57 |
| Right-of-use assets | 4 | 5.44 | 6.91 | - |
| Capital work-in-progress | 5 | 646.96 | 221.60 | 59.93 |
| Financial assets | | | | |
| Investments | 6 | 47.77 | 45.70 | 45.01 |
| Other financial assets | 7 | 159.01 | 44.68 | 44.68 |
| Deferred tax assets (net) | 8 | - | - | 174.98 |
| Non-current tax assets (net) | 9 | 46.00 | - | - |
| Other non-current assets | 10 | 192.07 | 642.92 | 170.48 |
| | | 7,665.47 | 4,426.85 | 4,120.65 |
| Current assets | | | | |
| Inventories | 11 | 7,177.25 | 3,157.27 | 2,005.27 |
| Financial assets | | | | |
| Trade receivables | 12 | 1,625.94 | 1,925.76 | 2,094.41 |
| Cash and cash equivalents | 13 | 845.60 | 494.42 | 10.50 |
| Bank balances other than cash and cash equivalents | 14 | 29.52 | 28.51 | 27.45 |
| Loans | 15 | 1.08 | 1.13 | 0.66 |
| Other financial assets | 16 | 342.23 | 198.36 | 144.16 |
| Current tax assets (net) | 17 | - | 46.00 | 43.84 |
| Other current assets | 18 | 3,314.33 | 369.66 | 351.87 |
| | | 13,335.95 | 6,221.11 | 4,678.16 |
| Total Assets | | 21,001.42 | 10,647.96 | 8,798.81 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Equity share capital | 19 | 1,516.02 | 1,516.02 | 1,516.02 |
| Other equity | 20 | 3,825.84 | 1,841.49 | 689.46 |
| | | 5,341.86 | 3,357.51 | 2,205.48 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 21 | 3,573.70 | 2,545.33 | 2,515.44 |
| Lease liabilities | 22 | 4.36 | 5.74 | - |
| Provisions | 23 | 27.03 | 26.28 | 19.42 |
| Deferred tax liabilities (net) | 24 | 206.32 | 188.90 | - |
| Other non-current liabilities | 25 | 1,567.97 | 622.00 | 799.61 |
| | | 5,379.38 | 3,388.25 | 3,334.47 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 26 | 6,910.33 | 2,195.94 | 1,003.01 |
| Lease liabilities | 27 | 1.37 | 1.26 | - |
| Trade payables | 28 | 2,052.14 | 1,240.60 | 1,622.68 |
| Other financial liabilities | 29 | 247.02 | 73.05 | 94.86 |
| Other current liabilities | 30 | 676.01 | 378.38 | 531.45 |
| Provisions | 31 | 12.80 | 12.97 | 6.86 |
| Current tax liabilities (net) | 32 | 380.51 | - | - |
| | | 10,280.18 | 3,902.20 | 3,258.86 |
| Total Equity and Liabilities | | 21,001.42 | 10,647.96 | 8,798.81 |

Summary of significant accounting policies

The accompanying notes 3 to 71 form an integral part of these financial statements.

For R. Singhvi & Associates
Chartered Accountants
ICAI FRN: 0038705

CA Subhash Chand Singhvi
Partner
Membership No.: 024534

Place: Bengaluru
Date: September 27, 2022

For and on behalf of the Board of Directors of
Vanya Steels Private Limited

Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru
Date: September 27, 2022

Sandeep Kumar
Director
DIN: 02112630

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Statement of profit and loss for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

| | Note | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 33 | 55,477.88 | 31,751.33 |
| Other income | 34 | 119.89 | 190.23 |
| Total Income | | 55,597.77 | 31,941.56 |
| Expenses | | | |
| Cost of materials consumed | 35 | 50,001.18 | 29,160.29 |
| Changes in inventories of stock-in-trade, finished goods and work-in-progress | 36 | 407.96 | (708.40) |
| Employee benefit expense | 37 | 356.86 | 280.46 |
| Finance costs | 38 | 454.26 | 451.39 |
| Depreciation and amortisation expense | 39 | 258.44 | 208.17 |
| Other expenses | 40 | 1,465.05 | 1,012.60 |
| Total Expenses | | 52,943.75 | 30,404.51 |
| Profit/(Loss) before exceptional items and tax | | 2,654.02 | 1,537.05 |
| Less: Exceptional items | | - | - |
| Profit/(Loss) before tax | | 2,654.02 | 1,537.05 |
| Tax expenses | | | |
| Current tax | 52 | 661.74 | 25.15 |
| Deferred tax charge/(benefit) | 52 | 15.03 | 362.87 |
| | | 676.77 | 388.02 |
| Profit/(Loss) after tax | | 1,977.25 | 1,149.03 |
| Other comprehensive income/(loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of equity instruments | | - | - |
| - Remeasurement of defined benefit plans | 45 | 9.49 | 4.01 |
| - Income tax relating to these items | 52 | (2.39) | (1.01) |
| | | 7.10 | 3.00 |
| Total comprehensive income/(loss) | | 1,984.35 | 1,152.03 |
| Earnings/(Loss) per equity share (in ₹): | | | |
| - Basic and diluted earnings/(loss) per share | 41 | 13.04 | 7.58 |

Summary of significant accounting policies

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The accompanying notes 3 to 71 form an integral part of these financial statements.

For R. Singhvi & Associates
Chartered Accountants
ICAI FRN: 0038705

CA Subhash Chand Singhvi
Partner
Membership No.: 024534

Place: Bengaluru
Date: September 27, 2022

For and on behalf of the Board of Directors of
Vanya Steels Private Limited

Sunil Jallan
Director
DIN: 02150846

Sandeep Kumar
Director
DIN: 02112630

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Place: Bengaluru
Date: September 27, 2022

Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

Statement of cash flows for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 2,654.02 | 1,537.05 |
| Adjustments to reconcile profit before tax to cash generated from operating activities | | |
| Depreciation and amortisation expense | 258.44 | 208.17 |
| Impairment of trade receivables | 105.47 | 8.42 |
| Interest income | (118.49) | (188.51) |
| Finance costs | 454.26 | 451.39 |
| Other comprehensive income | 9.49 | 4.01 |
| Operating profit before working capital changes | 3,363.19 | 2,020.53 |
| Adjustments for (increase)/decrease in operating assets | | |
| Bank balances other than cash and cash equivalents | (1.01) | (1.06) |
| Inventories | (4,019.98) | (1,152.00) |
| Trade receivables | 194.35 | 160.23 |
| Loans | 0.05 | (0.47) |
| Other financial assets | (258.20) | (54.20) |
| Other non-financial assets | (2,493.82) | (490.23) |
| Adjustments for increase/(decrease) in operating liabilities | | |
| Trade payables | 811.54 | (382.08) |
| Other financial liabilities | 173.97 | (21.81) |
| Provisions | 0.58 | 12.97 |
| Other non-financial liabilities | 297.63 | (153.07) |
| Cash generated from/(used in) operations | (1,931.70) | (61.19) |
| Less: Income tax paid (net of refunds) | (281.23) | (27.31) |
| Net cash flow generated from/(used in) operating activities (A) | (2,212.93) | (88.50) |
| Cash flows from investing activities | | |
| Proceeds from/(payments for) PPE, intangible assets and CWIP | (3,785.52) | (208.88) |
| (Increase)/decrease in investments | (2.07) | (0.69) |
| Interest income | 118.49 | 188.51 |
| Net cash flow from investing activities (B) | (3,669.10) | (21.06) |
| Cash flows from financing activities | | |
| Proceeds from/(payments for) borrowings | 6,688.73 | 625.21 |
| Proceeds from issue of preference shares | - | 420.00 |
| Payment of lease liabilities | (1.80) | (0.53) |
| Finance costs | (453.72) | (451.20) |
| Net cash inflow from/(used in) financing activities (C) | 6,233.21 | 593.48 |
| Net increase (decrease) in cash and cash equivalents (A+B+C) | 351.18 | 483.92 |
| Cash and cash equivalents at the beginning of the year | 494.42 | 10.50 |
| Cash and cash equivalents at the end of the year | 845.60 | 494.42 |

...Continued on next page



Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

Statement of cash flows for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

...Continued from previous page

Notes to Statement of cash flows:**(i) Components of cash and bank balances (refer note 13 and 14)**

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | 845.60 | 494.42 |
| Other bank balances | 29.52 | 28.51 |
| Cash and bank balances at end of the year | 875.12 | 522.93 |

(ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars | Non-current borrowings * | Current borrowings |
|---|-----------------------------|--------------------|
| For the year ended March 31, 2022 | | |
| Balance as at April 1, 2021 | 2,873.15 | 1,868.12 |
| Loan draws (in cash)/interest accrued during the year | 2,667.78 | 4,116.81 |
| Adjustment for processing fee | 2.93 | - |
| Loan repayment/interest payment during the year | (1,044.76) | - |
| Other non-cash changes | - | - |
| Balance as at March 31, 2022 | 4,499.10 | 5,984.93 |
| For the year ended March 31, 2021 | | |
| Balance as at April 1, 2020 | 2,680.01 | 838.44 |
| Loan draws (in cash)/interest accrued during the year | 2,256.87 | 1,029.68 |
| Adjustment for processing fee | (13.30) | - |
| Loan repayment/interest payment during the year | (1,720.75) | - |
| Other non-cash changes | (329.68) | - |
| Balance as at March 31, 2021 | 2,873.15 | 1,868.12 |

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

* including current maturities

(iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.**(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 3 to 71.**

For R. Singhvi & Associates
Chartered Accountants
ICAI FRN: 0038705

CA Subhash Chand Singhvi
Partner
Membership No.: 024534

Place: Bengaluru
Date: September 27, 2022

For and on behalf of the Board of Directors of
Vanya Steels Private Limited

Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru
Date: September 27, 2022

Sandeep Kumar
Director
DIN: 02112630

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Statement of changes in equity for the year ended March 31, 2022
(All amount are in ₹ Lacs, unless otherwise stated)

A. Equity share capital

| | |
|---|----------|
| Balance as at April 1, 2020 | 1,516.02 |
| Change in equity share capital during 2020-21 | - |
| Balance as at March 31, 2021 | 1,516.02 |
| Change in equity share capital during 2021-22 | - |
| Balance as at March 31, 2022 | 1,516.02 |

B. Other equity

| Particulars | Retained earnings | Securities premium | Items of other comprehensive income | | | Total |
|---|-------------------|--------------------|-------------------------------------|---|---------------------|----------|
| | | | Remeasurement of equity instruments | Remeasurement of defined benefit obligation | Revaluation surplus | |
| Balance as at April 1, 2020 | (1,566.16) | 2,082.84 | - | - | 303.48 | 820.16 |
| Impact due to Ind AS adjustments (Refer Note 53) | (54.32) | - | - | - | (76.38) | (130.70) |
| Restated balance at the beginning of the reporting year | (1,620.48) | 2,082.84 | - | - | 227.10 | 689.46 |
| Profit for the year | 1,149.03 | - | - | - | - | 1,149.03 |
| Other comprehensive income | - | - | - | 4.01 | - | 4.01 |
| Tax impact on above | - | - | - | (1.01) | - | (1.01) |
| Balance as at March 31, 2021 | (471.45) | 2,082.84 | - | 3.00 | 227.10 | 1,841.49 |
| Profit for the year | 1,977.25 | - | - | - | - | 1,977.25 |
| Other comprehensive income | - | - | - | 9.49 | - | 9.49 |
| Tax impact on above | - | - | - | (2.39) | - | (2.39) |
| Balance as at March 31, 2022 | 1,505.80 | 2,082.84 | - | 10.10 | 227.10 | 3,825.84 |

The above statement of changes in equity should be read in conjunction with the accompanying notes 3 to 7.

For R. Singhvi & Associates
Chartered Accountants
ICAI FRN: 0038705



CA Subhash Chand Singhvi
Partner
Membership No.: 024534

Place: Bengaluru
Date: September 27, 2022



Sunil Jallan
Director
DIN: 021508



Sandeep Kum
Director
DIN: 02112630



Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Place: Bengaluru
Date: September 27, 2022

Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

Reporting Entity

Vanya Steels Private Limited (the Company) is a private limited company domiciled in India, with its registered office situated at A One House No. 326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bangalore – 560092. The Company was incorporated on June 20, 2005. The Company is engaged in the business of manufacturing and trading of Sponge Iron. The Company also undertakes machining and job works for its customers.

1. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards:

These Ind AS financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Company's financial statements up to and including the year ended March 31, 2021 were prepared in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) ("previous GAAP").

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 53.

The financial statements for the year ended March 31, 2022 were authorised and approved for issue by the Board of Directors on September 27, 2022.

The significant accounting policies adopted for preparation and presentation of these financial statements are included in Note 2. These policies have been applied consistently by the Company for all the periods presented in these financial statements.

(ii) Current and non-current classification

All assets and liabilities have been classified and presented as current or non-current in accordance with the Company's normal operating cycle other criteria set out in the Schedule III to the Act.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.



(iv) Basis of measurement

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

| Items | Basis of measurement |
|--|---|
| Certain financial assets and liabilities | Fair value |
| Net defined benefit liability/asset | Present value of defined benefit obligation less fair value of plan asset |

(v) Use of estimates and 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 related disclosures. Actual results may differ from these estimates.

Significant management judgements:

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- **Business model assessment** – The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.



- **Expected credit loss (ECL)** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgements regarding the following while assessing expected credit loss:
 - Determining criteria for significant increase in credit risk
 - Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL
 - Establishing groups of similar financial assets for the purposes of measuring ECL.
- **Provisions** – At each Balance Sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates:

- **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values, and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on several underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

2 Summary of significant accounting policies

(i) Revenue

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue from sale of goods

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.



Vanya Steels Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products is recognised at a time on which the performance obligation is satisfied.

Recognition in case of local sales is generally recognised on the dispatch of goods. Revenue from export sales is generally recognised on the basis of the dates of 'On Board Bill of Lading'. The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Other operating income

Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

(ii) Other income

Interest income

Interest income on time deposits and inter corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(iii) Employee Benefits

Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

Long term employee benefits:



Defined contribution plan: Provident fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the other comprehensive income. The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term benefits: Compensated absences

Benefits under the Company's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.



(iv) Foreign exchange transactions and translations

Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount of exchange rate between the reporting currency and foreign currency at the date of transaction.

Conversion:

Foreign currency monetary assets and liabilities outstanding as at balance sheet date are restated/translated using the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities which are measured in terms of historical cost denomination in foreign currency, are reported using the exchange rate at the date of transaction except for non-monetary item measured at fair value which are translated using the exchange rates at the date when fair value is determined.

Exchange difference arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they initially recorded during the year or reported in previous financials statement (other than those relating to fixed assets and other long term monetary assets) are recognised as income or expenses in the year in which they arise.

(v) Tax expense

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.



Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

(vi) Inventories

Raw materials, stores and spares, work-in-progress, manufactured finished goods and traded goods are valued at lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost is determined using first in, first out method of inventory valuation.

Loose tools and scrap are valued at estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

(vii) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current accounts and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(viii) Provisions, contingent liabilities, and contingent assets

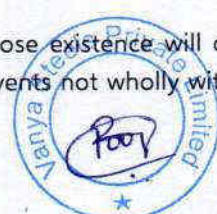
Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(ix) Property, plant and equipment (including Capital work-in-progress)

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

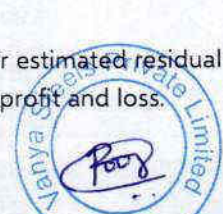
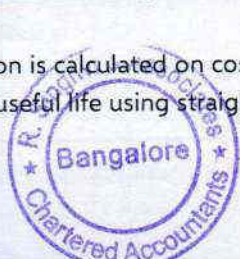
Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss.



Vanya Steels Private Limited**Notes to the Financial Statements for the year ended March 31, 2022**

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

The useful lives of the assets are as under:

| Particulars | Useful lives (in years) |
|----------------------------|-------------------------|
| Tangible assets: | |
| Land | Not depreciable asset |
| Factory sheds and building | 30 & 60 years |
| Plant and equipment | 15 & 25 years |
| Furniture and fixtures | 10 years |
| Office equipments | 3 & 5 years |
| Vehicles | 8 & 10 years |

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(x) Leases***As lessee***

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xi) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.



(xii) Borrowing costs

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

(xiii) Financial instruments

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost,
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

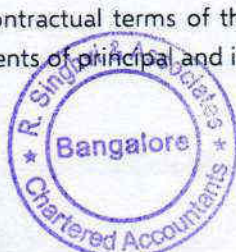
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Vanya Steels Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).



A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.



Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(xiv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.



Vanya Steels Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period unless they have been issued at a later date.

(xv) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 49 for segment information.

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3 Property, plant and equipment

| Current year | Gross block (at cost) | | | Accumulated depreciation | | | Net block |
|----------------------------|------------------------|------------------------------|-------------------------|--------------------------|------------------------------|-------------------------|-------------------------|
| | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at March 31, 2022 |
| Freehold land | 1,363.73 | 238.98 | - | - | - | - | 1,602.71 |
| Factory sheds and building | 506.53 | 21.92 | - | 17.10 | 16.97 | - | 494.38 |
| Plant and equipment | 1,756.35 | 3,046.32 | - | 183.09 | 226.55 | - | 4,393.03 |
| Furniture and fixtures | 2.35 | 0.22 | - | 0.28 | 0.26 | - | 2.03 |
| Office equipments | 15.66 | 10.47 | - | 3.89 | 5.42 | - | 16.82 |
| Vehicles | 28.16 | 42.25 | - | 3.38 | 7.78 | - | 59.25 |
| | 3,672.78 | 3,360.16 | - | 207.74 | 256.98 | - | 6,568.22 |
| Previous year | Gross block (at cost) | | | Accumulated depreciation | | | Net block |
| | As at April 1, 2020 | Additions during the year | Disposal/ Adjustment | As at April 1, 2020 | Additions during the year | Disposal/ Adjustment | As at March 31, 2021 |
| Freehold land | 1,363.73 | - | - | - | - | - | 1,363.73 |
| Factory sheds and building | 486.03 | 20.50 | - | - | 17.10 | - | 489.43 |
| Plant and equipment | 1,744.13 | 12.22 | - | - | 183.09 | - | 1,573.26 |
| Furniture and fixtures | 2.35 | - | - | - | 0.28 | - | 2.07 |
| Office equipments | 11.13 | 4.53 | - | - | 3.89 | - | 11.77 |
| Vehicles | 18.20 | 9.96 | - | - | 3.38 | - | 24.78 |
| | 3,625.57 | 47.21 | - | - | 207.74 | - | 3,465.04 |

Footnotes:

- (i) The Company has elected Ind AS 101 exemption and will continue with the carrying value for all of its property, plant and equipment as its deemed cost at the date of transition (refer note 53).
- (ii) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022 and March 31, 2021.
- (iii) Please refer note 42 for capital commitments.
- (iv) There are no impairment losses recognised for the year ended March 31, 2022 and March 31, 2021.
- (v) There are no exchange differences adjusted in Property, plant & equipment.
- (vi) All property, plant and equipment, are subject to charge against secured borrowings of the company referred in notes as secured term loans and vehicle loans from banks. (refer note 46).



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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

4 Right-of-use assets

Office building

Opening balance

Additions on account of new lease contracts entered into during the year

Depreciation charged for the year

Closing balance

| As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|
| 6.91 | - |
| - | 7.34 |
| (1.47) | (0.43) |
| 5.44 | 6.91 |

5 Capital work-in-progress

Balance at the beginning

Addition during the year:

Capitalised during the year:

Plant and machinery

Balance at the end

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 221.60 | 59.93 | 59.93 |
| 3,471.68 | 161.67 | - |
| 3,693.28 | 221.60 | 59.93 |
| 3,046.32 | - | - |
| 646.96 | 221.60 | 59.93 |

Footnote:

Capital work-in-progress ageing

Particulars

Projects in progress

Less than 1 year

1-2 years

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 646.96 | 161.67 | 59.93 |
| - | 59.93 | - |
| 646.96 | 221.60 | 59.93 |

6 Investments (non-current)

Investments carried at fair value through other comprehensive income:

A. Investment in equity instruments

Unquoted

Atria Wind Power (Bijapur 1) Private Limited

[21,568 equity shares of ₹ 100 each (March 31, 2021: 20,635; April 1, 2020: 20,322)]

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 47.77 | 45.70 | 45.01 |
| 47.77 | 45.70 | 45.01 |

Footnotes:

(i) Carrying value and market value of quoted and unquoted investments are as below:

Book value of quoted investments

Market value of quoted investments

Book value of unquoted investments

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| - | - | - |
| - | - | - |
| 47.77 | 45.70 | 45.01 |

(ii) For explanation on the Company's credit risk management process, refer note 50.

(iii) There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

(iv) The Company had invested in equity shares of Atria Wind Power (Bijapur 1) Private Limited for procurement of power towards captive consumption in Hospet unit. The management anticipates that the termination of contract in future (if any) would be at cost i.e. the amount invested. The investment has been made only for procuring the power and not for any financial benefit. The Company has classified investments at fair value through other comprehensive income. However, considering the above facts, cost of investment has been considered as its fair value.

7 Other financial assets (non-current)

Unsecured, considered good - at amortised cost

Security deposits

Sales tax deposit

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 158.91 | 44.58 | 44.58 |
| 0.10 | 0.10 | 0.10 |
| 159.01 | 44.68 | 44.68 |

Footnote:

For explanation on the Company's credit risk management process, refer note 50.



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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

8 Deferred tax assets (net)

Deferred tax assets (net) (refer note 52)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| - | - | 174.98 |
| - | - | 174.98 |

9 Non-current tax assets (net)

Income tax refundable (earlier years)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 46.00 | - | - |
| 46.00 | - | - |

10 Other non-current assets

Unsecured, considered good

Capital advances

Prepaid expenses

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 151.51 | 642.92 | 170.48 |
| 40.56 | - | - |
| 192.07 | 642.92 | 170.48 |

11 Inventories

Valued at lower of cost and net realisable value

Raw materials

Stores and spares

Finished goods

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 6,315.98 | 1,843.42 | 1,579.10 |
| 274.50 | 242.52 | 286.33 |
| 586.77 | 1,071.33 | 139.84 |
| 7,177.25 | 3,157.27 | 2,005.27 |

Footnotes:

Inventories are pledged as securities for borrowings taken from banks (refer note 46).

12 Trade receivables

Unsecured - at amortised cost

Undisputed trade receivables — considered good

Undisputed trade receivables — which have significant increase in credit risk

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 1,800.62 | 1,994.97 | 2,162.24 |
| 5.69 | 5.69 | - |
| (180.37) | (74.90) | (67.83) |
| 1,625.94 | 1,925.76 | 2,094.41 |

Footnotes:

- (i) The Company has measured expected credit loss of trade receivable as per Ind AS 109 'Financial Instruments' (refer note 50).
- (ii) Trade receivables are pledged as securities for borrowings taken from banks (refer note 46).
- (iii) For explanation on the Company's credit risk management process, refer note 50.
- (iv) Trade receivables are non-interest bearing and are normally received in the Company's operating cycle.
- (v) For trade receivables due from director or other officer of the Company and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons, refer outstanding balances mentioned in note 48.
- (vi) Trade receivables ageing

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Unsecured - at amortised cost | | | |
| Undisputed trade receivables — considered good | | | |
| 0-6 months | 1,536.48 | 1,684.46 | 1,858.74 |
| 6-12 months | 13.41 | 52.16 | 250.37 |
| 1-2 years | 41.10 | 226.71 | 38.39 |
| 2-3 years | 178.49 | 18.63 | 0.25 |
| More than 3 years | 31.14 | 18.70 | 14.49 |
| Undisputed trade receivables — which have significant increase in credit risk | | | |
| 2-3 years | - | 5.69 | - |
| More than 3 years | 5.69 | - | - |
| | 1,806.31 | 2,006.35 | 2,162.24 |



Vanya Steels Private Limited
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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

13 Cash and cash equivalents

Balances with banks
- in current accounts
Cash on hand

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 822.47 | 490.48 | 6.18 |
| 23.13 | 3.94 | 4.32 |
| 845.60 | 494.42 | 10.50 |

14 Bank balances other than cash and cash equivalents

Deposits with maturity more than three months but less than twelve months

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 29.52 | 28.51 | 27.45 |
| 29.52 | 28.51 | 27.45 |

Footnote:

Above balances are held with bank as security in relation to repayment of borrowings (refer note 46).

15 Loans (current)

Unsecured, considered good

Loans to
-Employees

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 1.08 | 1.13 | 0.66 |
| 1.08 | 1.13 | 0.66 |

Footnote:

For explanation on the Company's credit risk management process, refer note 50.

16 Other financial assets (current)

Unsecured, considered good

Security deposits
Earnest money deposits
Accrued interest on fixed deposits

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 4.32 | 3.84 | 4.01 |
| 335.35 | 191.67 | 137.92 |
| 2.56 | 2.85 | 2.23 |
| 342.23 | 198.36 | 144.16 |

Footnote:

For explanation on the Company's credit risk management process, refer note 50.

17 Current tax assets (net)

Current tax asset (net)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| - | 46.00 | 43.84 |
| - | 46.00 | 43.84 |

18 Other current assets

Unsecured, considered good

Prepaid expenses
Advance to suppliers
Balance with government authorities

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 42.05 | 14.54 | 10.69 |
| 3,219.62 | 291.24 | 247.72 |
| 52.66 | 63.88 | 93.46 |
| 3,314.33 | 369.66 | 351.87 |

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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022
(All amount are in ₹ Lacs, unless otherwise stated)

19 Equity share capital

(i). The Company has only one class of share capital having a par value of ₹ 100 per share, referred to herein as equity shares.

Authorised shares

Equity shares

1,60,00,000 (March 31, 2021 1,60,00,000; April 1, 2020 1,60,00,000) shares of ₹ 10 each

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 1,600.00 | 1,600.00 | 1,600.00 |
| 1,600.00 | 1,600.00 | 1,600.00 |

Issued, subscribed and fully paid-up shares

Equity shares

1,51,60,167 (March 31, 2021 1,51,60,167; April 1, 2020 1,51,60,167) shares of ₹ 10 each

| | | |
|-----------------|-----------------|-----------------|
| 1,516.02 | 1,516.02 | 1,516.02 |
| 1,516.02 | 1,516.02 | 1,516.02 |

(ii). Reconciliation of the shares outstanding at the beginning and end of the year

Equity shares

Shares outstanding at the beginning of the year

Shares issued during the year

Shares outstanding at the end of the year

| As at March 31, 2022 | | As at March 31, 2021 | |
|-------------------------|-----------------|-------------------------|-----------------|
| Number | Amount | Number | Amount |
| 1,51,60,167 | 1,516.02 | 1,51,60,167 | 1,516.02 |
| 1,51,60,167 | 1,516.02 | 1,51,60,167 | 1,516.02 |

(iii). Terms/rights attached to equity shares

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous year.

Liquidation

In the event of liquidation of the Company, the shareholders shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

(iv). Equity shares held by holding company

Name of shareholders

| | As at March 31, 2022 | | As at March 31, 2021 | | As at April 1, 2020 | |
|--|-------------------------|------------|-------------------------|------------|------------------------|------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| A-One Steel and Alloys Private Limited | 1,51,60,166 | 100.00% | 1,51,60,166 | 100.00% | 1,51,60,166 | 100.00% |

(v). Detail of shareholders holding more than 5% of equity share of the Company

Name of shareholders

| | As at March 31, 2022 | | As at March 31, 2021 | | As at April 1, 2020 | |
|--|-------------------------|------------|-------------------------|------------|------------------------|------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| A-One Steel and Alloys Private Limited | 1,51,60,166 | 100.00% | 1,51,60,166 | 100.00% | 1,51,60,166 | 100.00% |

(vi). No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of 5 years immediately preceding the Balance Sheet date.

(vii). Details of equity shares held by Promoters at the end of year

Name of promoters

| | As at March 31, 2022 | | % change | As at March 31, 2021 | |
|--|-------------------------|-------------|-------------|-------------------------|-------------|
| | Number | Percentage | | Number | Percentage |
| A-One Steel and Alloys Private Limited | 1,51,60,166 | 100.00% | 0.00% | 1,51,60,166 | 100.00% |
| Sandeep Kumar | 1 | 0.00% | 0.00% | 1 | 0.00% |
| | 1,51,60,167 | 100% | 0% | 1,51,60,167 | 100% |

...Continued on next page



Vanya Steels Private Limited
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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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Name of promoters

A-One Steel and Alloys Private Limited
Sandeep Kumar

| As at March 31, 2021 | | % change | As at April 1, 2020 | |
|-------------------------|-------------|-------------|------------------------|-------------|
| Number | Percentage | | Number | Percentage |
| 1,51,60,166 | 100.00% | 0.00% | 1,51,60,166 | 100.00% |
| 1 | 0.00% | 0.00% | 1 | 0.00% |
| 1,51,60,167 | 100% | 0% | 1,51,60,167 | 100% |

(viii). No shares are reserved to be issued under options and contracts/ commitments for the sale of shares/ disinvestment.

20 Other equity

(i). Retained earnings

Opening balance
Add/Less: Impact due to Ind AS adjustments
Add: Profit/(Loss) for the year
Closing balance

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| (471.45) | (1,620.48) | (1,566.16) |
| - | - | (54.32) |
| 1,977.25 | 1,149.03 | - |
| 1,505.80 | (471.45) | (1,620.48) |

(ii). Securities premium

Opening balance
Closing balance

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 2,082.84 | 2,082.84 | 2,082.84 |
| 2,082.84 | 2,082.84 | 2,082.84 |

(iii). Items of other comprehensive income

Opening balance
Add/Less: Impact due to Ind AS adjustments
Add: Other comprehensive income/(loss) for the year
Closing balance

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 230.10 | 227.10 | 303.48 |
| - | - | (76.38) |
| 7.10 | 3.00 | - |
| 237.20 | 230.10 | 227.10 |
| 3,825.84 | 1,841.49 | 689.46 |

Nature and purpose of other equity:

(i). Retained earnings

Retained earnings represents the surplus/ (deficit) in profit and loss account and appropriations.

(ii). Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can only be utilised for limited purposes in accordance with the provisions of the Companies Act, 2013.

(iii). Items of other comprehensive income

Remeasurement of equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised or sold. Any impairment loss on such instruments is reclassified to the Statement of Profit and Loss.

Remeasurement of defined benefit obligation

The Company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability; and
- any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability.

Revaluation surplus

The Company recognises increase in carrying amount as a result of a revaluation in other comprehensive income. The Company transfers amount of revaluation surplus directly to retained earnings when the asset is derecognised.



21 Borrowings (non-current)

Secured - at amortised cost

Term loans:

- from banks (refer note 46)

Less: Current maturities

Vehicle loans:

- from banks (refer note 46)

Less: Current maturities

Unsecured - at amortised cost

From related parties (refer note 48 and note 46)

From others (refer note 46)

Privately placed non-cumulative redeemable preference shares

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Term loans: | | | |
| - from banks (refer note 46) | 4,071.39 | 2,246.92 | 1,332.96 |
| Less: Current maturities | (915.78) | (324.70) | (162.64) |
| Vehicle loans: | | | |
| - from banks (refer note 46) | 44.10 | 14.27 | 8.04 |
| Less: Current maturities | (9.62) | (3.12) | (1.93) |
| Unsecured - at amortised cost | | | |
| From related parties (refer note 48 and note 46) | 116.02 | 107.94 | 339.52 |
| From others (refer note 46) | - | 266.68 | 908.79 |
| Privately placed non-cumulative redeemable preference shares | 267.59 | 237.34 | 90.70 |
| | 3,573.70 | 2,545.33 | 2,515.44 |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.

22 Lease liabilities (non-current)

Lease liabilities (refer note 47 and 48)

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Lease liabilities (refer note 47 and 48) | 4.36 | 5.74 | - |
| | 4.36 | 5.74 | - |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.

23 Provisions (non-current)

Provision for employee benefits

Provision for gratuity (refer note 45)

Provision for compensated absences

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Provision for employee benefits | | | |
| Provision for gratuity (refer note 45) | 18.01 | 18.69 | 12.75 |
| Provision for compensated absences | 9.02 | 7.59 | 6.67 |
| | 27.03 | 26.28 | 19.42 |

24 Deferred tax liabilities (net)

Deferred tax liabilities (net) (refer note 52)

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Deferred tax liabilities (net) (refer note 52) | 206.32 | 188.90 | - |
| | 206.32 | 188.90 | - |

25 Other non-current liabilities

Deferred fair value gain on account of preference shares

Deferred fair value gain on account of unsecured loans

Other long-term liabilities

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Deferred fair value gain on account of preference shares | 404.52 | 452.13 | 188.25 |
| Deferred fair value gain on account of unsecured loans | 28.43 | 70.72 | 187.78 |
| Other long-term liabilities | 1,135.02 | 99.15 | 423.58 |
| | 1,567.97 | 622.00 | 799.61 |

26 Borrowings (current)

Secured - at amortised cost

Working capital demand loans from banks (refer note 46)

Cash credit from banks (refer note 46)

Current maturities of non-current borrowings (refer note 21)

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Secured - at amortised cost | | | |
| Working capital demand loans from banks (refer note 46) | 1,000.00 | - | - |
| Cash credit from banks (refer note 46) | 4,984.93 | 1,868.12 | 838.44 |
| Current maturities of non-current borrowings (refer note 21) | 925.40 | 327.82 | 164.57 |
| | 6,910.33 | 2,195.94 | 1,003.01 |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.

27 Lease liabilities (current)

Lease liabilities (refer note 47 and 48)

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Lease liabilities (refer note 47 and 48) | 1.37 | 1.26 | - |
| | 1.37 | 1.26 | - |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.



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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

27 Lease liabilities (current)

Lease liabilities (refer note 47 and 48)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 1.37 | 1.26 | - |
| 1.37 | 1.26 | - |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.

28 Trade payables

Trade payables due:

- to micro and small enterprises
- to others

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 45.44 | 12.37 | 3.26 |
| 2,006.70 | 1,228.23 | 1,619.42 |
| 2,052.14 | 1,240.60 | 1,622.68 |

Footnotes:

- (i) For disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 refer note 44.
- (ii) For explanation on the Company's liquidity risk management process, refer note 50.
- (iii) **Trade payables ageing**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|---|-------------------------|-------------------------|------------------------|
| Dues of micro and small enterprises | | | |
| Less than 1 year | 36.17 | 12.26 | 3.26 |
| 1-2 years | 9.27 | 0.11 | - |
| Dues of creditors other than micro and small enterprises | | | |
| Less than 1 year | 2,002.49 | 1,190.86 | 1,598.06 |
| 1-2 years | 1.95 | 18.37 | 21.36 |
| 2-3 years | 2.02 | 19.00 | - |
| More than 3 years | 0.24 | - | - |
| | 2,052.14 | 1,240.60 | 1,622.68 |

29 Other financial liabilities (current)

Payable for capital goods
Payable for investment
Employees related payable
Audit fees payable
Expenses payable

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 146.25 | - | 3.67 |
| 2.07 | - | - |
| 21.14 | 16.65 | 18.40 |
| 4.00 | 2.00 | 0.93 |
| 73.56 | 54.40 | 71.86 |
| 247.02 | 73.05 | 94.86 |

Footnote:

For explanation on the Company's liquidity risk management process, refer note 50.

30 Other current liabilities

Advance from customers
Statutory dues payable
Contract liability as per Ind AS 115

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 353.20 | 73.01 | 395.60 |
| 286.65 | 273.25 | 135.85 |
| 36.16 | 32.12 | - |
| 676.01 | 378.38 | 531.45 |

31 Provisions (current)

Provision for employee benefits

Provision for gratuity (refer note 45)
Provision for compensated absences
Provision for bonus

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 0.44 | 0.08 | 0.03 |
| 0.21 | 0.20 | 0.15 |
| 12.15 | 12.69 | 6.68 |
| 12.80 | 12.97 | 6.86 |

32 Current tax liabilities (net)

Current tax liabilities (net)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 380.51 | - | - |
| 380.51 | - | - |



Vanya Steels Private Limited
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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

33 Revenue from operations

Sale of products

Manufacturing goods
Trading goods

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
| 35,715.77 | 19,069.13 |
| 19,762.11 | 12,682.20 |
| 55,477.88 | 31,751.33 |

Information required as per Ind AS 115:

Disaggregated revenue information as per geographical markets

Revenue from customers based in India
Revenue from customers based outside India

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
|--------------------------------------|--------------------------------------|

Timing of revenue recognition

Transferred at a point in time
Transferred over time

| | |
|-----------|-----------|
| 55,477.88 | 31,751.33 |
| - | - |

Trade receivables and contract assets/(liabilities)

Trade receivables
Contract liabilities

| | |
|----------|----------|
| 1,625.94 | 1,925.76 |
| (36.16) | (32.12) |

Changes in contract liability are as follows:

Balance at the beginning of the year
Recognised and deducted from revenue during the year
Utilised and adjusted from actual expense during the year
Balance at the end of the year

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
| 32.12 | - |
| 36.16 | 32.12 |
| 32.12 | - |
| 36.16 | 32.12 |

Performance obligation and remaining performance obligation

There are no remaining performance obligations for the year ended March 31, 2022, as the same is satisfied upon delivery of goods/services.

34 Other income

Interest income (refer note 48)

- on fixed deposits
- on security deposits
- on security deposits using EIR method
- on late payment from customers
- on deferred fair value gain of preference shares
- on deferred fair value gain of unsecured loans
- on others

Foreign exchange fluctuation gain
Miscellaneous income

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
| 1.06 | 1.15 |
| 2.56 | 4.49 |
| 3.45 | - |
| 9.91 | - |
| 47.61 | 23.77 |
| 42.28 | 159.10 |
| 11.62 | - |
| - | 1.72 |
| 1.40 | - |
| 119.89 | 190.23 |



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Vanya Steels Private Limited

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

35 Cost of materials consumed

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Opening stock of raw material | 2,162.54 | 1,718.94 |
| Add: Purchases | 48,153.03 | 25,264.09 |
| Add: Freight, transportation and loading charges | 3,859.80 | 2,393.69 |
| Add: Import expenses and high sea purchase expenses | 468.84 | 515.72 |
| Add: Royalty expenses | 1,454.45 | 1,023.09 |
| Add: Compensation cess | 493.00 | 407.30 |
| Less: Closing stock of raw material | (6,590.48) | (2,162.54) |
| | 50,001.18 | 29,160.29 |

36 Changes in inventories of stock-in-trade, finished goods and work-in-progress

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------|--------------------------------------|--------------------------------------|
| Opening stock | 994.73 | 286.33 |
| Closing stock | (586.77) | (994.73) |
| | 407.96 | (708.40) |

37 Employee benefit expenses

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Salary, wages, bonus and allowances | 306.83 | 243.05 |
| Employers' contribution to provident and other funds (Refer note 45) | 18.48 | 16.13 |
| Expenses related to post employment defined benefit plans (Refer note 45) | 9.17 | 9.99 |
| Expenses related to compensated absences (Refer note 45) | 2.05 | 1.38 |
| Staff and labour welfare expenses | 20.33 | 9.91 |
| | 356.86 | 280.46 |

38 Finance costs

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Interest expenses | | |
| - on borrowings | 502.35 | 417.08 |
| - on preference shares | 30.25 | 14.30 |
| - on lease liabilities (refer note 47) | 0.54 | 0.19 |
| - on late payment of statutory dues | - | 2.65 |
| Other borrowing costs | 49.07 | 17.17 |
| | (127.95) | - |
| Less: Borrowing costs capitalised during the year (refer note 5) | 454.26 | 451.39 |

39 Depreciation and amortisation expense

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note 3) | 256.97 | 207.74 |
| Depreciation on right-of-use assets (refer note 4) | 1.47 | 0.43 |
| | 258.44 | 208.17 |



Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

40 Other expenses

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Power, fuel and diesel | 781.54 | 696.29 |
| Village welfare and development expenses | 38.27 | 37.77 |
| Freight and forwarding (net) | 55.94 | - |
| Commission expenses | 46.53 | 59.83 |
| Testing and inspection charges | 7.97 | 6.70 |
| Security charges | 30.64 | 36.90 |
| Rent and hire charges (refer note 48) | 148.33 | 60.81 |
| Insurance | 18.89 | 12.76 |
| Rates and taxes | 16.39 | 12.21 |
| Travelling and conveyance | 11.46 | 3.57 |
| Legal and professional expenses (refer footnote) | 29.15 | 11.62 |
| Charity and donations | 7.97 | 7.66 |
| CSR expenses (refer note 43) | 27.37 | 9.12 |
| Repairs and maintenance expenses | 115.39 | 36.61 |
| Impairment of trade receivables (refer note 50) | 105.47 | 8.42 |
| Foreign exchange fluctuation loss | 11.49 | - |
| Miscellaneous expenses | 12.25 | 12.33 |
| | 1,465.05 | 1,012.60 |

Footnote:

Payment of remuneration to auditors (excluding GST)

- as auditor

- for statutory audit
- for tax audit

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| | 1.50 | 1.50 |
| | 0.50 | 0.50 |
| | 2.00 | 2.00 |

41 Earning per share

(a). Basic and diluted earnings per share

| | | |
|--|-------|------|
| From continuing operations attributable to the equity holders of the Company | 13.04 | 7.58 |
|--|-------|------|

(b). Reconciliations of earnings used in calculating earnings per share

Basic earnings per share

| | | |
|--|-----------------|-----------------|
| Profit from continuing operation attributable to the equity share holders | 1,977.25 | 1,149.03 |
| Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share | 1,977.25 | 1,149.03 |

(c). Weighted average number of shares used as the denominator

| | | |
|--|-------------|-------------|
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 1,51,60,167 | 1,51,60,167 |
|--|-------------|-------------|

The Company has not issued any instrument that is potentially dilutive in the future. Hence, the weighted average number of shares outstanding at the end of the year for calculation of basic as well as diluted EPS is the same.



42 Contingent liabilities and commitments

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|---|-------------------------|-------------------------|------------------------|
| Income Tax matters (refer footnote i) | 229.31 | - | - |
| Capital commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advances of ₹ 151.51 Lacs (March 31, 2021: ₹ 642.92 Lacs and April 1, 2020 ₹ 170.48 Lacs). | 26.38 | - | - |

Footnotes:

- (i) Contingent liability with respect to Income Tax matters is for search action conducted under Section 132 of the Income Tax Act, 1961.

43 Expenditure on CSR activities

As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least two per cent of average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy in respect of activities specified in Schedule VII of the Companies Act, 2013. The details of CSR expenses for the year are as under:

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Amount required to be spent during the year | 17.95 | 8.31 |
| Shortfall/ (Excess) amount of previous year | (0.81) | - |
| Total | 17.14 | 8.31 |
| Amount spent during the year on | | |
| - construction/acquisition of any property, plant and equipment | 27.37 | 9.12 |
| - purposes other than above | 27.37 | 9.12 |
| Total | 27.37 | 9.12 |
| Shortfall/ (Excess) amount carried forward to next year | (10.23) | (0.81) |

Footnote:

Nature of CSR activities

The amount has been spent on various activities mentioned in Schedule VII of the Companies Act, 2013.

44 In terms of Section 22 of Chapter V of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the disclosures of payments due to any supplier are as follows:

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in: | | | |
| - Trade payables | 45.44 | 12.37 | 3.26 |
| - Other financial liabilities | - | - | - |
| - Interest due on above | - | - | - |
| | 45.44 | 12.37 | 3.26 |

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:

The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.

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The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.

45 Employee benefits

I. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and labour welfare fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The Company has recognised, in the Statement of Profit and loss for the year ended March 31, 2022 an amount of ₹ 13.72 Lacs, March 31, 2021: ₹ 11.76 Lacs under defined contribution plans.

Expense under defined contribution plans include:

Employer's contribution to provident fund

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
| 13.72 | 11.76 |
| 13.72 | 11.76 |

II. Defined benefit plans:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit.

The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognise each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022 and March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

A. Net defined benefit liability/(asset)

Present value of obligations

Fair value of plan assets

Total employee benefit liabilities/(assets)

Non-current

Current

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 18.45 | 18.77 | 12.78 |
| - | - | - |
| 18.45 | 18.77 | 12.78 |
| 18.01 | 18.69 | 12.75 |
| 0.44 | 0.08 | 0.03 |

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B. Reconciliation of the net defined benefit liability

Balance at the beginning of the year

Included in profit or loss

Current service cost

Past service cost

Interest cost/(income)

Expected return on plan assets

Included in OCI

Remeasurements loss (gain)

– Actuarial loss (gain) arising from:

– financial assumptions

– demographic assumptions

– experience adjustment

Return on plan assets excluding interest income

Other

Contributions paid by the employer

Benefits paid

Balance at the end of the year

Balance at the beginning of the year

Included in profit or loss

Current service cost

Past service cost

Interest cost/(income)

Expected return on plan assets

Included in OCI

Remeasurements loss (gain)

– Actuarial loss (gain) arising from:

– financial assumptions

– demographic assumptions

– experience adjustment

Return on plan assets excluding interest income

Other

Contributions paid by the employer

Benefits paid

Balance at the end of the year

| As at March 31, 2022 | | |
|----------------------------|---------------------------|--|
| Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| 18.77 | - | 18.77 |
| 7.88 | - | 7.88 |
| - | - | - |
| 1.28 | - | 1.28 |
| - | - | - |
| 9.17 | - | 9.17 |
| (0.98) | - | (0.98) |
| - | - | - |
| (8.50) | - | (8.50) |
| - | - | - |
| (9.48) | - | (9.48) |
| - | - | - |
| - | - | - |
| - | - | - |
| 18.45 | - | 18.45 |

| As at March 31, 2021 | | |
|----------------------------|---------------------------|--|
| Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| 12.78 | - | 12.78 |
| 9.12 | - | 9.12 |
| - | - | - |
| 0.87 | - | 0.87 |
| - | - | - |
| 9.99 | - | 9.99 |
| 0.51 | - | 0.51 |
| - | - | - |
| (4.51) | - | (4.51) |
| - | - | - |
| (4.01) | - | (4.01) |
| - | - | - |
| - | - | - |
| - | - | - |
| 18.77 | - | 18.77 |

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Vanya Steels Private Limited
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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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Expenses recognised in the Statement of Profit and Loss

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Current service cost | 7.88 | 9.12 |
| Past service cost | - | - |
| Net interest cost | 1.28 | 0.87 |
| Expected return on plan assets | - | - |

C. Plan assets

The plan assets of the Company are managed by the Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan.

Plan assets comprises of the following:

| | March 31, 2022 | March 31, 2021 | April 1, 2020 |
|--------------------------|----------------|----------------|---------------|
| Total plan assets | - | - | - |
| Funds managed by insurer | - | - | - |
| % of Plan assets | 0% | 0% | 0% |

An asset-liability matching study is done by the Company on an annual basis, whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the Company.

| | March 31, 2022 | March 31, 2021 | April 1, 2020 |
|---|---|---|---|
| Discount rate | 7.30% | 6.85% | 6.85% |
| Expected rate of future salary increase | 10% for the first three years and 7% thereafter | 10% for the first three years and 7% thereafter | 10% for the first three years and 7% thereafter |
| Expected rate of attrition | 1% - 3% | 1% - 3% | 1% - 3% |
| Mortality | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| | March 31, 2022 | | March 31, 2021 | |
|--|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1.00% movement) | (2.85) | 3.55 | (3.09) | 3.88 |
| Future salary growth (1.00% movement) | 3.50 | (2.87) | 3.82 | (3.10) |
| Attrition rate (50.00% of attrition rate movement) | (0.23) | 0.22 | (0.45) | 0.47 |
| Mortality Rate (10.00% of mortality rate movement) | - | - | - | - |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follows:

- a). **Salary increase:** Actual salary increases will increase plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b). **Investment risk:** If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c). **Discount rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d). **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e). **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the plan's liability.

F. Expected maturity analysis of the defined benefit plans in future years

Duration of defined benefit obligation

Less than 1 year
Between 2-5 years
Between 6-10 years
Over 10 years

Total

| | As at March 31, 2022 | As at March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Less than 1 year | 0.44 | 0.08 |
| Between 2-5 years | 2.21 | 1.84 |
| Between 6-10 years | 2.56 | 3.11 |
| Over 10 years | 75.34 | 75.36 |
| Total | 80.54 | 80.40 |

The weighted average duration of the defined benefit plan obligation at March 31, 2022 is 18 years (March 31, 2021: 19 years).

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46 Terms & conditions, repayment and nature of security of non-current and current borrowings

| Lender Name | Loan | Amount of Loan/ Sanction Limit | Interest Rate | Tenure (in months) | EMI Start date | Amount outstanding as at | | |
|--|--------|-----------------------------------|----------------------|-------------------------------------|--------------------|--------------------------|-----------------|-----------------|
| | | | | | | March 31, 2022 | March 31, 2021 | April 1, 2020 |
| Non-current | | | | | | | | |
| Secured term loans from banks (refer footnote i & iv) | | | | | | | | |
| Axis Bank Limited | Loan 1 | 1,400.00 | Repo + 3.75% | 72 (including 3 months moratorium) | July 31, 2019 | 962.86 | 1,160.49 | 1,332.96 |
| Axis Bank Limited | Loan 2 | 471.00 | Repo + 3.75% | 48 (including 12 months moratorium) | September 30, 2021 | 379.42 | 474.32 | - |
| Axis Bank Limited | Loan 3 | 2,100.00 | Repo + 3.75% | 72 (including 12 months moratorium) | April 1, 2022 | 2,103.11 | 612.11 | - |
| Axis Bank Limited | Loan 4 | 626.00 | Repo + 3.75% | 60 (including 24 months moratorium) | November 30, 2023 | 626.00 | - | - |
| Total term loans from banks | | | | | | 4,071.39 | 2,246.92 | 1,332.96 |
| Secured vehicle loans from banks (refer footnote ii & iv) | | | | | | | | |
| HDFC Bank Limited | Loan 5 | 10.29 | 9.10% | 60 | December 5, 2018 | 3.99 | 6.10 | 8.04 |
| HDFC Bank Limited | Loan 6 | 8.67 | 8.30% | 84 | September 7, 2020 | 7.16 | 8.17 | - |
| IDFC First Bank Limited | Loan 7 | 35.00 | 9.98% | 60 | November 2, 2021 | 32.95 | - | - |
| Total vehicle loans from banks | | | | | | 44.10 | 14.27 | 8.04 |
| Unsecured loans (refer footnote v) | | | | | | | | |
| From related parties | | | | | | | | |
| From others | | | | | | | | |
| Privately placed non-cumulative redeemable preference shares (refer footnote vi) | | | | | | | | |
| Current | | | | | | | | |
| Working capital demand loans from banks | | | | | | | | |
| YES Bank Limited (refer footnote iii) | Loan 8 | 2,000.00 | 1 month MCLR + 0.15% | Repayable on Demand | NA | 1,000.00 | - | - |
| Cash credit from banks | | | | | | | | |
| Axis Bank Limited (refer footnote i) | Loan 9 | 5,100.00 | Repo + 3.50% | Repayable on Demand | NA | 4,984.93 | 1,868.12 | 838.44 |
| Total Borrowings | | | | | | 10,484.03 | 4,741.27 | 3,518.45 |

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Footnotes:

(i) Security given for loans to Axis Bank Limited is as follows (Loans 1, 2, 3, 4 & 9):

Primary:

Cash credit (CC)

- Hypothecation of entire current assets of the Company

Term loans

- Equitable Mortgage of all piece and parcel of factory land Plot No. Sy No. 57-62 Village Hierbaganal Taluk, Koppal District, Karnataka - 583228 with sheds and building total measuring 39 acres and 25 guntas, property in the name of Vanya Steels Private Limited
- Exclusive charge by way of hypothecation of moveable fixed assets reimbursed by way of disbursement of the term loan.

Collateral:

- Equitable Mortgage of non-agricultural land situated Koppal District in Hierbaganal Village, Koppal Taluk in Survey No. 52/A, 52/B, 53, 54, 55, 48, 58 & 45/A measuring serial 03-10 acres, 02 acres, 02 acres, 04-36 acres, 05-10 acres, 05-08 acres, 04-37 acres, 02-34 acres, 05-00 acres. Total extent of 33 acres 15 guntas standing in the name of Vanya Steels Private Limited.
- Extension of Equitable Mortgage of all piece and parcel of factory land Plot No. Sy No. 57-62 Village Hierbaganal Taluk, Koppal District, Karnataka - 583228 with sheds and building total measuring 39 acres and 25 guntas, property in the name of Vanya Steels Private Limited
- Exclusive charge by way of hypothecation of unencumbered moveable fixed assets of the Company.

Personal Guarantee:

- Sumil Jallan - Director
- Sandeep Kumar - Director

Corporate Guarantee:

- A-One Steel and Alloys Private Limited - Holding Company

(ii) Security for vehicle loans from banks (Loans 5, 6 & 7)

Vehicle loans from HDFC Bank Limited and IDFC First Bank Limited are secured by way of Hypothecation of the Vehicles financed by the lender.

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(iii) Security given for working capital demand loans to YES Bank Limited (Loan 8)

Security details:

- 1st charge Pari Passu by way of Hypothecation on Plant and Machinery (All MFA)
- 1st charge Pari Passu by way of Hypothecation on Current Assets.
- 1st charge Pari Passu by way of Equitable Mortgage of non-agricultural land situated Koppal District in Hirebaganal Village, Koppal Taluk in Survey No. 52/A, 52/B, 53, 54, 55, 48, 58 & 45/A in the name of the Company.
- 2nd charge Pari Passu by way of Equitable Mortgage factory land Plot No. Sy No. 57-62 Village Hirebaganal Taluk, Koppal District, Karnataka - 583228 in the name of the Company.

Personal Guarantee:

- Suniti Jallan - Director
- Sandeep Kumar - Director

Corporate Guarantee:

- A-One Steel and Alloys Private Limited - Holding Company

(iv) Secured term loans and vehicle loans from banks are inclusive of current maturities.

(v) Unsecured loans from related parties and others and Privately placed non-cumulative redeemable preference shares are initially recorded at fair value and subsequently measured at amortised cost in accordance with Ind AS 109.

(vi) Terms/rights attached to preference shares

Voting

The Preference shares shall not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or as otherwise provided in the Companies Act, 2013.

Dividends

Subject to the availability of profit, the Preference shares shall carry a dividend at the rate of 0.01% per annum on the nominal value of share. The dividend shall be non-cumulative in nature.

Participation in surplus funds

The Preference shareholders shall not have any right to participate in the surplus funds of the Company.

Liquidation

In the event of liquidation of the Company, the Preference shareholders shall have preference for repayment of capital as provided under the Companies Act, 2013 over all their preference shares held by them.

Conversion

The preference shares are not convertible into equity shares.

Redemption

The Preference shares shall be redeemed after a period of one year but on or before 10 years from the date allotment of preference shares with 6% redemption premium on face value of shares.

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47 Leases

A. Leases as a lessee

1. Non-exempted leases

(i) Movement in lease liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Opening balance | 7.00 | - |
| Additions on account of new lease contracts entered into during the year | - | 7.34 |
| Finance cost accrued during the year | 0.54 | 0.19 |
| Payment of lease liabilities* | (1.80) | (0.53) |
| Closing balance | 5.74 | 7.00 |

*Payment of lease liabilities includes payment of principal of lease liabilities amounting of ₹ 1.26 Lacs (previous year: ₹ 0.37 Lacs) and interest of lease liabilities amounting of ₹ 0.54 Lacs (previous year: ₹ 0.16 Lacs).

(ii) Break-up of current and non-current lease liabilities

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------------|-------------------------|-------------------------|------------------------|
| Current lease liabilities | 1.37 | 1.26 | - |
| Non-current lease liabilities | 4.37 | 5.74 | - |
| | 5.74 | 7.00 | - |

(iii) Maturity analysis of lease liabilities

The details of contractual maturities of lease liabilities as at year end on undiscounted basis are as follows:

| | As at March 31, 2022 | | |
|---|----------------------|-----------------|-------------------|
| | Lease payments | Finance charges | Net present value |
| Commitments for lease payments in relation to non-exempted leases are payable as follows: | | | |
| - not later than one year | 1.80 | 0.43 | 1.37 |
| - later than one year and not later than five years | 4.88 | 0.51 | 4.36 |
| - later than five years | - | - | - |
| | 6.68 | 0.94 | 5.74 |

| | As at March 31, 2021 | | |
|---|----------------------|-----------------|-------------------|
| | Lease payments | Finance charges | Net present value |
| Commitments for lease payments in relation to non-exempted leases are payable as follows: | | | |
| - not later than one year | 1.80 | 0.54 | 1.26 |
| - later than one year and not later than five years | 6.68 | 0.94 | 5.74 |
| - later than five years | - | - | - |
| | 8.48 | 1.48 | 7.00 |

(iv) Amount recognised in the statement of profit and loss

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on right-of-use assets | 1.47 | 0.43 |
| Finance costs on lease liabilities | 0.54 | 0.19 |
| | 2.01 | 0.62 |

(v) Amount recognised in statement of cash flows

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from financing activities | | |
| Payment of lease liabilities | 1.80 | 0.53 |
| | 1.80 | 0.53 |

(vi) For reconciliation of carrying amount of right-of-use assets and details thereof refer note 4.

2. Exempted leases

The Company has recognised ₹ 5.28 Lacs as rent expenses during the year (previous year ₹ 7.20 Lacs) which pertains to short term lease/ low value asset which was not recognised as part of right of use asset.



48 Related party disclosures

The related parties as per terms of Ind AS 24 "Related Party Disclosures", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are disclosed below:

A. List of related parties where control exists and/or with whom transactions have taken place

| Nature of relationship | Name of related party | |
|---|---|--|
| Holding company | A-One Steel and Alloys Private Limited | |
| Fellow subsidiary company | A-One Gold Pipes and Tubes Private Limited A-One Gold Steels India Private Limited | |
| Enterprises in which person, who exercise control over the Company, have significant influence or control or is/are KMP | A One Steels India Private Limited Aaryan Hitech Steels India Private Limited Ambe Metals | |
| Key Management Personnel (KMP) | Sunil Jallan Sandeep Kumar Mahesh Kumar Pooja Sara Nagaraja | Director Director Director (w.e.f. November 16, 2021) Company Secretary |
| Relatives of KMPs | Priya Jallan | Wife of Director |

B. Transactions with related parties during the year are as following: -

| Name of Related Party and Nature of Transactions | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Sale of goods | | |
| A-One Steel and Alloys Private Limited | 11,498.28 | 6,235.22 |
| A-One Gold Pipes and Tubes Private Limited | 4.22 | - |
| A One Steels India Private Limited | 4,033.34 | 2,719.61 |
| Purchase of goods | | |
| A-One Steel and Alloys Private Limited | 13,736.74 | 10,733.94 |
| A One Steels India Private Limited | 281.88 | 95.58 |
| Purchase of property, plant & equipment | | |
| A-One Steel and Alloys Private Limited | 66.76 | 9.32 |
| A-One Gold Pipes and Tubes Private Limited | 0.54 | - |
| Transportation and handling charges | | |
| A-One Steel and Alloys Private Limited | 54.28 | - |
| Short term employee benefits | | |
| Pooja Sara Nagaraja | 1.20 | 1.10 |
| Employee benefits paid | | |
| Pooja Sara Nagaraja | 1.20 | 1.10 |
| Borrowings taken | | |
| Sandeep Kumar | 8.00 | - |
| Sunil Jallan | 4.00 | - |
| Priya Jallan | 0.55 | - |
| Ambe Metals | - | - |
| Borrowings repaid | | |
| Sandeep Kumar | 8.67 | 1.10 |
| Sunil Jallan | 3.97 | - |
| Priya Jallan | 0.55 | - |
| Ambe Metals | - | 267.75 |
| Interest on loans | | |
| Sandeep Kumar | 4.31 | 3.99 |
| Sunil Jallan | 4.41 | 4.08 |
| Ambe Metals | - | 29.19 |

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| | | |
|--|----------|----------|
| Interest on lease liabilities | | |
| A-One Steel and Alloys Private Limited | 0.54 | 0.19 |
| Payment of lease liabilities | | |
| A-One Steel and Alloys Private Limited | 1.80 | 0.53 |
| Corporate guarantee taken | | |
| A-One Steel and Alloys Private Limited | 5,000.00 | 3,100.00 |
| Personal guarantee taken | | |
| Sandeep Kumar | 5,000.00 | 3,100.00 |
| Sunil Jallan | 5,000.00 | 3,100.00 |

C. Balance outstanding with or from related parties as at:

| Name of Related Party and Nature of Balances | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Trade receivables | | | |
| A-One Steel and Alloys Private Limited | 430.94 | 404.76 | 304.28 |
| A One Steels India Private Limited | - | 270.60 | - |
| A-One Gold Pipes and Tubes Private Limited | 45.40 | - | - |
| A-One Gold Steels India Private Limited | 5.59 | - | - |
| Advance from customers | | | |
| A One Steels India Private Limited | 60.80 | - | 305.69 |
| Borrowings | | | |
| Ambe Metals | - | - | 238.56 |
| Sandeep Kumar | 56.46 | 52.82 | 49.92 |
| Sunil Jallan | 59.57 | 55.13 | 51.04 |
| Lease liabilities | | | |
| A-One Steel and Alloys Private Limited | 5.74 | 7.00 | - |
| Corporate guarantee taken | | | |
| A-One Steel and Alloys Private Limited | 10,600.00 | 5,600.00 | 2,500.00 |
| Personal guarantee taken | | | |
| Sandeep Kumar | 10,600.00 | 5,600.00 | 2,500.00 |
| Sunil Jallan | 10,600.00 | 5,600.00 | 2,500.00 |

D. Terms and Conditions

- Sale and purchase of goods and property, plant & equipment are done at arm's length price.
- No guarantee fees have been paid for corporate guarantee and personal guarantee taken from holding company and KMPs respectively.
- For terms and conditions of leases, refer note 47.

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49 Operating segments

A. Basis for Segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Board of Directors examines the Company's performance from business activities perspective and have identified the following reportable segments of its business:

| Reportable segments | Operations |
|---------------------|-------------|
| Manufacturing | Sponge Iron |
| Trading | Sponge Iron |

B. Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

| For the year ended March 31, 2022 | Reportable Segments | | |
|---|---------------------|-----------|-----------|
| | Manufacturing | Trading | Total |
| Segment revenue - revenue from external customers | 35,719.81 | 19,762.11 | 55,481.93 |
| Segment results | 4,040.69 | 246.51 | 4,287.20 |
| Segment assets | 16,374.89 | - | 16,374.89 |
| Segment liabilities | 2,271.95 | - | 2,271.95 |

| For the year ended March 31, 2021 | Reportable Segments | | |
|---|---------------------|-----------|-----------|
| | Manufacturing | Trading | Total |
| Segment revenue - revenue from external customers | 19,069.13 | 12,682.20 | 31,751.33 |
| Segment results | 2,410.14 | 193.01 | 2,603.15 |
| Segment assets | 9,464.18 | - | 9,464.18 |
| Segment liabilities | 1,295.00 | - | 1,295.00 |

C. Reconciliations of information on reportable segments

(i) Revenues

Total revenue for reportable segments

Manufacturing
Trading

| For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|
| 35,719.81 | 19,069.13 |
| 19,762.11 | 12,682.20 |
| 55,481.93 | 31,751.33 |



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(ii) Total comprehensive income

Total profit before tax for reportable segments

Manufacturing

Trading

Other income

Unallocated expenses:

Finance costs

Employee benefit expense

Depreciation and amortisation expense

Other expenses

Profit/(Loss) before exceptional items and tax

Less: Exceptional items

Profit/(Loss) before tax

Tax expenses

Profit/(Loss) after tax

Other comprehensive income/(loss)

Items that will not be reclassified to profit or loss

- Remeasurement of equity instruments

- Remeasurement of defined benefit plans

- Income tax relating to these items

Total comprehensive income/(loss)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| | 4,040.69 | 2,410.14 |
| | 246.51 | 193.01 |
| | 4,287.20 | 2,603.15 |
| | 119.89 | 190.23 |
| | 454.26 | 451.39 |
| | 356.86 | 280.46 |
| | 258.44 | 208.17 |
| | 683.51 | 316.31 |
| | 2,654.02 | 1,537.05 |
| | - | - |
| | 2,654.02 | 1,537.05 |
| | 676.77 | 388.02 |
| | 1,977.25 | 1,149.03 |
| | - | - |
| | 9.49 | 4.01 |
| | (2.39) | (1.01) |
| | 1,984.35 | 1,152.03 |

(iii) Assets

Total assets for reportable segments

Manufacturing

Trading

Unallocated assets

Investments

Deferred tax assets (net)

Non-current tax assets (net)

Cash and cash equivalents

Bank balances other than cash and cash equivalents

Loans

Other financial assets (current)

Current tax assets (net)

Other current assets

Total assets

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| | 16,374.89 | 9,464.18 | 8,000.34 |
| | - | - | - |
| | 47.77 | 45.70 | 45.01 |
| | - | - | 174.98 |
| | 46.00 | - | - |
| | 845.60 | 494.42 | 10.50 |
| | 29.52 | 28.51 | 27.45 |
| | 1.08 | 1.13 | 0.66 |
| | 342.23 | 198.36 | 144.16 |
| | - | 46.00 | 43.84 |
| | 3,314.33 | 369.66 | 351.87 |
| | 21,001.42 | | |
| | | 10,647.96 | 8,798.81 |

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(iv) Liabilities

Total liabilities for reportable segments

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|---------------------------------------|-------------------------|-------------------------|------------------------|
| Manufacturing | 2,271.95 | 1,295.00 | 1,698.21 |
| Trading | - | - | - |
| Unallocated liabilities | | | |
| Borrowings (non-current) | 3,573.70 | 2,545.33 | 2,515.44 |
| Lease liabilities (non-current) | 4.36 | 5.74 | - |
| Provisions (non-current) | 27.03 | 26.28 | 19.42 |
| Deferred tax liabilities | 206.32 | 188.90 | - |
| Other non-current liabilities | 1,567.97 | 622.00 | 799.61 |
| Borrowings (current) | 6,910.33 | 2,195.94 | 1,003.01 |
| Lease liabilities (current) | 1.37 | 1.26 | - |
| Other financial liabilities (current) | 27.21 | 18.65 | 19.33 |
| Other current liabilities | 676.01 | 378.38 | 531.45 |
| Provisions (current) | 12.80 | 12.97 | 6.86 |
| Current tax liabilities (net) | 380.51 | - | - |
| | 15,659.56 | 7,290.45 | 6,593.33 |

D. Geographic information

(i) Revenues from different geographies

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------------|--------------------------------------|--------------------------------------|
| Within India | 55,477.88 | 31,751.33 |
| Outside India | - | - |
| | 55,477.88 | 31,751.33 |

(ii) Non-current assets*

| | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|---------------|-------------------------|-------------------------|------------------------|
| Within India | 7,458.69 | 4,336.47 | 3,855.98 |
| Outside India | - | - | - |
| | 7,458.69 | 4,336.47 | 3,855.98 |

*Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets

E. Major customer

Revenue from transactions with external customer amounting to 10 per cent or more of the Company's revenue is as follows:

| Customer name | Amount |
|--|------------------|
| For the year ended March 31, 2022 | |
| A-One Steel and Alloys Private Limited | 11,498.28 |
| | 11,498.28 |
| For the year ended March 31, 2021 | |
| A-One Steel and Alloys Private Limited | 6,235.22 |
| | 6,235.22 |

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50 Fair value measurement and financial instruments

a). Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

| As at March 31, 2022 | FVTOCI | Amortised cost | Total | Fair value measurement using | | |
|------------------------------|--------------|------------------|------------------|------------------------------|----------|--------------|
| | | | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Non-current | | | | | | |
| Investments | 47.77 | - | 47.77 | - | - | 47.77 |
| Other financial assets | - | 159.01 | 159.01 | - | - | - |
| Current | | | | | | |
| Trade receivables | - | 1,625.94 | 1,625.94 | - | - | - |
| Cash and cash equivalents | - | 845.60 | 845.60 | - | - | - |
| Other bank balances | - | 29.52 | 29.52 | - | - | - |
| Loans | - | 1.08 | 1.08 | - | - | - |
| Other financial assets | - | 342.23 | 342.23 | - | - | - |
| Total | 47.77 | 3,003.38 | 3,051.15 | - | - | 47.77 |
| Financial liabilities | | | | | | |
| Non-current | | | | | | |
| Borrowings | - | 3,573.70 | 3,573.70 | - | - | - |
| Lease liabilities | - | 4.36 | 4.36 | - | - | - |
| Current | | | | | | |
| Borrowings | - | 6,910.33 | 6,910.33 | - | - | - |
| Lease liabilities | - | 1.37 | 1.37 | - | - | - |
| Trade payables | - | 2,052.14 | 2,052.14 | - | - | - |
| Other financial liabilities | - | 247.02 | 247.02 | - | - | - |
| Total | - | 12,788.92 | 12,788.92 | - | - | - |


R. Singhvi & Associates
Chartered Accountants
Bangalore


Vanya Steels Private Limited


Vanya Steels Private Limited

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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| As at March 31, 2021 | FVTOCI | Amortised cost | Total | Fair value measurement using | | |
|------------------------------|--------------|-----------------|-----------------|------------------------------|----------|--------------|
| | | | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Non-current | | | | | | |
| Investments | 45.70 | - | 45.70 | - | - | 45.70 |
| Other financial assets | - | 44.68 | 44.68 | - | - | - |
| Current | | | | | | |
| Trade receivables | - | 1,925.76 | 1,925.76 | - | - | - |
| Cash and cash equivalents | - | 494.42 | 494.42 | - | - | - |
| Other bank balances | - | 28.51 | 28.51 | - | - | - |
| Loans | - | 1.13 | 1.13 | - | - | - |
| Other financial assets | - | 198.36 | 198.36 | - | - | - |
| Total | 45.70 | 2,692.86 | 2,738.56 | - | - | 45.70 |
| Financial liabilities | | | | | | |
| Non-current | | | | | | |
| Borrowings | - | 2,545.33 | 2,545.33 | - | - | - |
| Lease liabilities | - | 5.74 | 5.74 | - | - | - |
| Current | | | | | | |
| Borrowings | - | 2,195.94 | 2,195.94 | - | - | - |
| Lease liabilities | - | 1.26 | 1.26 | - | - | - |
| Trade payables | - | 1,240.60 | 1,240.60 | - | - | - |
| Other financial liabilities | - | 73.05 | 73.05 | - | - | - |
| Total | - | 6,061.92 | 6,061.92 | - | - | - |



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Vanya Steels Private Limited
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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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| As at April 1, 2020 | FVTOCI | Amortised cost | Total | Fair value measurement using | | |
|------------------------------|--------------|-----------------|-----------------|------------------------------|----------|--------------|
| | | | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Non-current | | | | | | |
| Investments | 45.01 | - | 45.01 | - | - | 45.01 |
| Other financial assets | - | 44.68 | 44.68 | - | - | - |
| Current | | | | | | |
| Trade receivables | - | 2,094.41 | 2,094.41 | - | - | - |
| Cash and cash equivalents | - | 10.50 | 10.50 | - | - | - |
| Other bank balances | - | 27.45 | 27.45 | - | - | - |
| Loans | - | 0.66 | 0.66 | - | - | - |
| Other financial assets | - | 144.16 | 144.16 | - | - | - |
| Total | 45.01 | 2,321.86 | 2,366.87 | - | - | 45.01 |
| Financial liabilities | | | | | | |
| Non-current | | | | | | |
| Borrowings | - | 2,515.44 | 2,515.44 | - | - | - |
| Lease liabilities | - | - | - | - | - | - |
| Current | | | | | | |
| Borrowings | - | 1,003.01 | 1,003.01 | - | - | - |
| Lease liabilities | - | - | - | - | - | - |
| Trade payables | - | 1,622.68 | 1,622.68 | - | - | - |
| Other financial liabilities | - | 94.86 | 94.86 | - | - | - |
| Total | - | 5,235.99 | 5,235.99 | - | - | - |

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Fair value hierarchy

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise 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 are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets and financial liabilities is similar to the carrying value as there is no significant differences between carrying value and fair value.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b). Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i). Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|--|-------------------------|-------------------------|------------------------|
| Investments | 47.77 | 45.70 | 45.01 |
| Trade receivables | 1,625.94 | 1,925.76 | 2,094.41 |
| Cash and cash equivalents | 845.60 | 494.42 | 10.50 |
| Bank balances other than cash and cash equivalents | 29.52 | 28.51 | 27.45 |
| Other financial assets | 501.24 | 243.04 | 188.84 |

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers and loans. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates and the Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the Company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counter party fails to make payments as per terms of sale/service agreements. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The gross carrying amount of trade receivables is ₹ 1,806.31 Lacs (March 31, 2021: ₹ 2,000.66 Lacs and April 1, 2020: ₹ 2,162.24 Lacs). Trade receivables are generally realised within the credit period.

The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Company's exposure to credit risk for trade receivables are as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|-------------------------|------------------------|
| Not due | - | - | - |
| 0-90 days past due | 1,506.37 | 1,684.15 | 1,765.51 |
| 90 to 180 days past due | 30.11 | 0.31 | 93.23 |
| 180-365 days | 13.41 | 52.16 | 250.37 |
| 365-730 days | 41.10 | 226.71 | 38.39 |
| More than 730 days | 215.32 | 37.33 | 14.74 |
| Total | 1,806.31 | 2,000.66 | 2,162.24 |

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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Movement in the allowance for impairment in respect of trade receivables:

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|----------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning | 74.90 | 67.83 |
| Impairment loss recognised | 105.47 | 8.42 |
| Impairment loss utilised | - | (1.35) |
| Balance at the end | 180.37 | 74.90 |

(ii). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position of ₹ 845.60 Lacs as at March 31, 2022 (March 31, 2021: ₹ 494.42 Lacs and April 1, 2020: ₹ 10.50 Lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from Company companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to Day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date:

| As at March 31, 2022 | Carrying amount | Contractual cash flows | | | |
|-----------------------------|------------------|------------------------|---------------------------|----------------------|------------------|
| | | Less than one year | Between one to five years | More than five years | Total |
| Borrowings | 10,484.03 | 6,910.33 | 3,306.11 | 267.59 | 10,484.03 |
| Lease liabilities | 5.73 | 1.37 | 4.36 | - | 5.73 |
| Trade payables | 2,052.14 | 2,052.14 | - | - | 2,052.14 |
| Other financial liabilities | 247.02 | 247.02 | - | - | 247.02 |
| Total | 12,788.92 | 9,210.86 | 3,310.47 | 267.59 | 12,788.92 |

| As at March 31, 2021 | Carrying amount | Contractual cash flows | | | |
|-----------------------------|-----------------|------------------------|---------------------------|----------------------|-----------------|
| | | Less than one year | Between one to five years | More than five years | Total |
| Borrowings | 4,741.27 | 2,195.94 | 1,885.81 | 659.52 | 4,741.27 |
| Lease liabilities | 7.00 | 1.26 | 5.74 | - | 7.00 |
| Trade payables | 1,240.60 | 1,240.60 | - | - | 1,240.60 |
| Other financial liabilities | 73.05 | 73.05 | - | - | 73.05 |
| Total | 6,061.92 | 3,510.85 | 1,891.55 | 659.52 | 6,061.92 |

| As at April 1, 2020 | Carrying amount | Contractual cash flows | | | |
|-----------------------------|-----------------|------------------------|---------------------------|----------------------|-----------------|
| | | Less than one year | Between one to five years | More than five years | Total |
| Borrowings | 3,518.45 | 1,003.01 | 2,424.74 | 90.70 | 3,518.45 |
| Trade payables | 1,622.68 | 1,622.68 | - | - | 1,622.68 |
| Other financial liabilities | 94.86 | 94.86 | - | - | 94.86 |
| Total | 5,235.99 | 2,720.55 | 2,424.74 | 90.70 | 5,235.99 |

(iii). Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:



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Variable-rate instruments

Secured term loans
Working capital demand loans
Cash credits
Total

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 4,071.39 | 2,246.92 | 1,332.96 |
| 1,000.00 | - | - |
| 4,984.93 | 1,868.12 | 838.44 |
| 10,056.32 | 4,115.04 | 2,171.40 |

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

| | Profit or loss | | Equity, net of tax | |
|-------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | 50 bps increase | 50 bps decrease | 50 bps increase | 50 bps decrease |
| Secured term loans | | | | |
| For the year ended March 31, 2022 | (20.36) | 20.36 | (15.23) | 15.23 |
| For the year ended March 31, 2021 | (11.23) | 11.23 | (8.41) | 8.41 |
| Working capital demand loans | | | | |
| For the year ended March 31, 2022 | (5.00) | 5.00 | (3.74) | 3.74 |
| For the year ended March 31, 2021 | - | - | - | - |
| Cash credits | | | | |
| For the year ended March 31, 2022 | (24.92) | 24.92 | (18.65) | 18.65 |
| For the year ended March 31, 2021 | (9.34) | 9.34 | (6.99) | 6.99 |

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b. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to foreign currency risk

The Company has no foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, therefore, there is no exposure to currency risk.

51 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Borrowings
Less: Cash and bank balances
Adjusted net debt (A)

Total equity (B)

Adjusted net debt to adjusted equity ratio (A/B)

| As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
|-------------------------|-------------------------|------------------------|
| 10,484.03 | 4,741.27 | 3,518.45 |
| 875.12 | 522.93 | 37.95 |
| 9,608.91 | 4,218.34 | 3,480.50 |
| 5,341.86 | 3,357.51 | 2,205.48 |
| 180% | 126% | 158% |

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Vanya Steels Private Limited

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

52 Income taxes

A. Amounts recognised in the Statement of Profit and Loss

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Income tax expense | | |
| Current tax | 661.74 | 25.15 |
| Deferred tax expense | | |
| Change in recognised temporary differences | 15.03 | 362.87 |
| | 676.77 | 388.02 |

B. Amounts recognised in Other Comprehensive Income

| | For the year ended March 31, 2022 | | |
|--|-----------------------------------|--------------------------|---------------|
| | Before tax | Tax (expense)/ income | Net of tax |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of equity instruments | - | - | - |
| Remeasurements of defined benefit obligations | 9.49 | 2.39 | 7.10 |
| | 9.49 | 2.39 | 7.10 |
| | For the year ended March 31, 2021 | | |
| | Before tax | Tax (expense)/ income | Net of tax |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of equity instruments | - | - | - |
| Remeasurements of defined benefit obligations | 4.01 | 1.01 | 3.00 |
| | 4.01 | 1.01 | 3.00 |

C. Reconciliation of effective tax rate

| | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | |
|--|--------------------------------------|---------------|--------------------------------------|---------------|
| | Rate | Amount | Rate | Amount |
| Profit before tax from continuing operations | 25.17% | 2,654.02 | 25.17% | 1,537.05 |
| Tax using the Company's domestic tax rate | | 667.96 | | 386.84 |
| Tax effect of: | | | | |
| Finance costs on preference shares | | 7.61 | | 3.60 |
| Finance costs on unsecured loans | | 10.58 | | 39.56 |
| Finance income on deferred fair value gain on account of preference shares | | (11.98) | | (5.98) |
| Finance income on deferred fair value gain on account of unsecured loans | | (10.64) | | (40.04) |
| Expenditures disallowed under the Income Tax Act | | 11.80 | | 4.89 |
| Other adjustments | | 1.44 | | (0.85) |
| | | 676.77 | | 388.02 |

D. Movement in deferred tax balances

| | As at March 31, 2021 | Recognised in P&L | Recognised in OCI | As at March 31, 2022 |
|---|-------------------------|----------------------|----------------------|-------------------------|
| Deferred tax assets | | | | |
| Security deposits | - | 0.19 | - | 0.19 |
| Trade receivables | 18.85 | 26.55 | - | 45.40 |
| Provisions for employee benefits | 9.88 | 2.53 | (2.39) | 10.02 |
| Contract liability as per Ind AS 115 | 8.08 | 1.02 | - | 9.10 |
| Leases | 0.02 | 0.05 | - | 0.07 |
| Sub- Total (a) | 36.83 | 30.34 | (2.39) | 64.78 |
| Deferred tax liabilities | | | | |
| Property, plant & equipment | 222.03 | 46.10 | - | 268.13 |
| Borrowings | 3.70 | (0.74) | - | 2.97 |
| Sub- Total (b) | 225.74 | 45.36 | - | 271.10 |
| Deferred tax liabilities (net) (b) - (a) | 188.90 | 15.03 | 2.39 | 206.32 |



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(All amount are in ₹ Lacs, unless otherwise stated)

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Movement in deferred tax balances

Deferred tax assets

| | As at April 1, 2020 | Recognised in P&L | Recognised in OCI | As at March 31, 2021 |
|--------------------------------------|------------------------|----------------------|----------------------|-------------------------|
| Unabsorbed losses | 366.73 | (366.73) | - | - |
| Trade receivables | 17.07 | 1.78 | - | 18.85 |
| Provisions for employee benefits | 6.61 | 4.27 | (1.01) | 9.88 |
| Contract liability as per Ind AS 115 | - | 8.08 | - | 8.08 |
| Leases | - | 0.02 | - | 0.02 |
| Sub- Total (a) | 390.42 | (352.57) | (1.01) | 36.83 |

Deferred tax liabilities

| | | | | |
|-----------------------------|---------------|--------------|----------|---------------|
| Property, plant & equipment | 215.08 | 6.95 | - | 222.03 |
| Borrowings | 0.36 | 3.35 | - | 3.70 |
| Sub- Total (b) | 215.44 | 10.30 | - | 225.74 |

Deferred tax liabilities (net) (b) - (a)

| | | | |
|-----------------|---------------|-------------|---------------|
| (174.98) | 362.87 | 1.01 | 188.90 |
|-----------------|---------------|-------------|---------------|

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

53 First time adoption of Ind AS

The Company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2022. For periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) ("previous GAAP"). The effective date for Company's Ind AS Opening Balance Sheet is April 1, 2020 (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2020 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2022, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2020 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2020, were recognized in equity under retained earnings (or, if appropriate, another category of equity) within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes:

A. Exceptions and exemptions availed

In the Ind AS Opening Balance Sheet as at April 1, 2020, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2020 are generally recognized and measured according to Ind AS in effect as on March 31, 2022. For certain individual cases, however, Ind AS 101 provides for mandatory exceptions and optional exemptions to the general principles of retrospective application of Ind AS. The Company has used the following exceptions and exemptions in preparing its Ind AS Opening Balance Sheet:

A.1 Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

(iii) Derecognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

(iv) Impairment of financial assets

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 1, 2020.

A.2 Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.



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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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(ii) Leases

Para 9 of Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease at the inception of the contract or arrangement. A first-time adopter may assess whether a contract existing at the date of transition to Ind ASs contains a lease by applying Ind AS 116 to those contracts on the basis of facts and circumstances existing at that date.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS:

B. Reconciliations between previous GAAP and Ind AS

| | Notes to first time adoption | As at April 1, 2020 | | |
|--|---------------------------------|---------------------------------|-----------------------------------|-------------------------|
| | | Amount as per previous GAAP* | Effect of transition to Ind AS | Amount as per Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | | 3,625.57 | - | 3,625.57 |
| Capital work-in-progress | | 59.93 | - | 59.93 |
| Financial assets | | | | |
| Investments | | 45.01 | - | 45.01 |
| Other financial assets | | 44.68 | - | 44.68 |
| Deferred tax assets (net) | (i) | 240.72 | (65.74) | 174.98 |
| Other non-current assets | | 170.48 | - | 170.48 |
| | | 4,186.40 | (65.74) | 4,120.65 |
| Current assets | | | | |
| Inventories | | 2,005.27 | - | 2,005.27 |
| Financial assets | | | | |
| Trade receivables | (b) | 2,160.79 | (66.38) | 2,094.41 |
| Cash and cash equivalents | | 10.50 | - | 10.50 |
| Bank balances other than cash and cash equivalents | | 27.45 | - | 27.45 |
| Loans | | 0.66 | - | 0.66 |
| Other financial assets | | 144.16 | - | 144.16 |
| Current tax assets (net) | | 43.84 | - | 43.84 |
| Other current assets | | 351.87 | - | 351.87 |
| | | 4,744.54 | (66.38) | 4,678.16 |
| | | 8,930.94 | (132.12) | 8,798.81 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Equity share capital | (d) | 1,795.02 | (279.00) | 1,516.02 |
| Other equity | (k) | 820.16 | (130.70) | 689.46 |
| | | 2,615.18 | (409.70) | 2,205.48 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | (c), (d), (e) & (g) | 2,613.89 | (98.45) | 2,515.44 |
| Provisions | | 19.42 | - | 19.42 |
| Other non-current liabilities | (d) & (e) | 423.58 | 376.03 | 799.61 |
| | | 3,056.89 | 277.58 | 3,334.47 |

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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

...Continued from previous page

Current liabilities

Financial liabilities

| | | | |
|-----------------------------|-----------------|-----------------|-----------------|
| Borrowings | 1,003.01 | - | 1,003.01 |
| Trade payables | 1,622.68 | - | 1,622.68 |
| Other financial liabilities | 94.86 | - | 94.86 |
| Other current liabilities | 531.45 | - | 531.45 |
| Provisions | 6.86 | - | 6.86 |
| | 3,258.85 | - | 3,258.86 |
| | 8,930.93 | (132.12) | 8,798.81 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B. Reconciliations between previous GAAP and Ind AS

| | Notes to first time adoption | As at March 31, 2021 | | |
|--|---------------------------------|---------------------------------|-----------------------------------|-------------------------|
| | | Amount as per previous GAAP* | Effect of transition to Ind AS | Amount as per Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | | 3,465.04 | - | 3,465.04 |
| Right-of-use assets | (a) | - | 6.91 | 6.91 |
| Capital work-in-progress | | 221.60 | - | 221.60 |
| Financial assets | | | | |
| Investments | | 45.70 | - | 45.70 |
| Other financial assets | | 44.68 | - | 44.68 |
| Other non-current assets | | 642.92 | - | 642.92 |
| | | 4,419.95 | 6.91 | 4,426.85 |
| Current assets | | | | |
| Inventories | | 3,157.27 | - | 3,157.27 |
| Financial assets | | | | |
| Trade receivables | (b) | 1,994.87 | (69.11) | 1,925.76 |
| Cash and cash equivalents | | 494.42 | - | 494.42 |
| Bank balances other than cash and cash equivalents | | 28.51 | - | 28.51 |
| Loans | | 1.13 | - | 1.13 |
| Other financial assets | | 198.36 | - | 198.36 |
| Current tax assets (net) | | 46.00 | - | 46.00 |
| Other current assets | | 369.66 | - | 369.66 |
| | | 6,290.21 | (69.11) | 6,221.11 |
| | | 10,710.16 | (62.20) | 10,647.96 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Equity share capital | (d) | 2,215.02 | (699.00) | 1,516.02 |
| Other equity | (k) | 1,971.32 | (129.83) | 1,841.49 |
| | | 4,186.33 | (828.83) | 3,357.51 |

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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)
Notes to the financial statements for the year ended March 31, 2022
(All amount are in ₹ Lacs, unless otherwise stated)
...Continued from previous page
Liabilities
Non-current liabilities
Financial liabilities

| | | | | |
|--------------------------------|---------------------|-----------------|---------------|-----------------|
| Borrowings | (c), (d), (e) & (g) | 2,395.25 | 150.08 | 2,545.33 |
| Lease liabilities | (a) | - | 5.74 | 5.74 |
| Provisions | | 26.28 | - | 26.28 |
| Deferred tax liabilities (net) | (i) | 134.32 | 54.58 | 188.90 |
| Other non-current liabilities | (d) & (e) | 99.15 | 522.85 | 622.00 |
| | | 2,655.00 | 733.25 | 3,388.25 |

Current liabilities
Financial liabilities

| | | | | |
|-------------------------------|-----|------------------|----------------|------------------|
| Borrowings | | 2,195.94 | - | 2,195.94 |
| Lease liabilities | (a) | - | 1.26 | 1.26 |
| Trade payables | | 1,240.60 | - | 1,240.60 |
| Other financial liabilities | | 73.05 | - | 73.05 |
| Other current liabilities | (h) | 346.26 | 32.12 | 378.38 |
| Provisions | | 12.97 | - | 12.97 |
| Current tax liabilities (net) | | - | - | - |
| | | 3,868.82 | 33.38 | 3,902.20 |
| | | 10,710.15 | (62.20) | 10,647.96 |

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*
C. Reconciliations of total comprehensive income for the year ended March 31, 2021

| | Notes to first time adoption | Amount as per previous GAAP* | Effect of transition to Ind AS | Amount as per Ind AS |
|---|------------------------------|------------------------------|--------------------------------|----------------------|
| Income | | | | |
| Revenue from operations | (h) | 31,783.46 | (32.13) | 31,751.33 |
| Other income | (d) & (e) | 7.36 | 182.87 | 190.23 |
| Total Income | | 31,790.82 | 150.74 | 31,941.56 |
| Expenses | | | | |
| Cost of materials consumed | | 29,160.29 | - | 29,160.29 |
| Changes in inventories of stock-in-trade, finished goods and work-in-progress | | (708.40) | - | (708.40) |
| Employee benefit expense | (f) | 276.46 | 4.00 | 280.46 |
| Finance costs | (a), (d), (e) & (g) | 292.99 | 158.40 | 451.39 |
| Depreciation and amortisation expense | (a) | 207.74 | 0.43 | 208.17 |
| Other expenses | (a) & (b) | 1,010.40 | 2.20 | 1,012.60 |
| Total Expenses | | 30,239.48 | 165.03 | 30,404.51 |
| Profit/(Loss) before exceptional items and tax | | 1,551.34 | (14.29) | 1,537.05 |
| Less: Exceptional items | | - | - | - |
| Profit/(Loss) before tax | | 1,551.34 | (14.29) | 1,537.05 |
| Tax expenses | | | | |
| Current tax | | 25.15 | - | 25.15 |
| Deferred tax charge/(benefit) | (i) | 375.04 | (12.17) | 362.87 |
| | | 400.19 | (12.17) | 388.02 |
| Profit/(Loss) after tax | | 1,151.15 | (2.12) | 1,149.03 |

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Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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Other comprehensive income/(loss)

Items that will not be reclassified to profit or loss

| | | | |
|--|-----------|-------------|-------------|
| - Remeasurement of equity instruments | - | - | - |
| - Remeasurement of defined benefit plans | (f) & (j) | 4.01 | 4.01 |
| - Income tax relating to these items | (i) | (1.01) | (1.01) |
| | | 3.00 | 3.00 |

Total comprehensive income/(loss)

| | | |
|-----------------|-------------|-----------------|
| 1,151.15 | 0.88 | 1,152.03 |
|-----------------|-------------|-----------------|

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D. Reconciliations of total equity as at March 31, 2021 and April 1, 2020

| | Notes to first time adoption | As at March 31, 2021 | As at April 1, 2020 |
|--|------------------------------|----------------------|---------------------|
| Total equity (shareholders' fund) as per previous GAAP | | 4,186.33 | 2,615.18 |
| Adjustments: | | | |
| Preference share capital | (d) | (699.00) | (279.00) |
| Expected credit loss on trade receivables | (b) | (69.11) | (66.38) |
| Finance costs on preference shares | (d) | (14.44) | (0.15) |
| Finance income on deferred fair value gain on account of preference shares | (d) | 23.97 | 0.21 |
| Finance income on deferred fair value gain on account of unsecured loans | (e) | 159.10 | - |
| Finance costs on unsecured loans | (e) | (157.18) | - |
| Finance costs on lease liabilities | (a) | (0.19) | - |
| Depreciation on right-of-use assets | (a) | (0.43) | - |
| Reversal of lease rent expenses | (a) | 0.53 | - |
| Borrowings - transaction costs | (c) | 14.72 | 1.42 |
| Contract liability as per Ind AS 115 | (h) | (32.12) | - |
| Prior period errors | (g) | (0.08) | (0.05) |
| Deferred tax | (i) | (54.59) | (65.74) |
| Total adjustments | | (828.82) | (409.70) |
| Total equity as per Ind AS | | 3,357.51 | 2,205.48 |

E. Reconciliations of total comprehensive income for the year ended March 31, 2021

| | Notes to first time adoption | For the year ended March 31, 2021 |
|--|------------------------------|-----------------------------------|
| Profit after tax as per previous GAAP | | 1,151.15 |
| Adjustments: | | |
| Expected credit loss on trade receivables | (b) | (2.73) |
| Finance costs on preference shares | (d) | (14.30) |
| Finance income on deferred fair value gain on account of preference shares | (d) | 23.77 |
| Finance income on deferred fair value gain on account of unsecured loans | (e) | 159.10 |
| Finance costs on unsecured loans | (e) | (157.18) |
| Finance costs on lease liabilities | (a) | (0.19) |
| Depreciation on right-of-use assets | (a) | (0.43) |
| Reversal of lease rent expenses | (a) | 0.53 |
| Remeasurement of defined benefit plans | (f) | (4.01) |
| Borrowings - transaction costs | (c) | 13.30 |
| Prior period errors | (g) | (0.03) |
| Contract liability as per Ind AS 115 | (h) | (32.12) |
| Deferred tax | (i) | 12.17 |
| Total adjustments | | (2.12) |
| Profit after tax as per Ind AS | | 1,149.03 |

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Other comprehensive income

Items that will not be reclassified to profit or loss

| | | |
|--|-----------|--------|
| - Remeasurement of equity instruments | (f) & (j) | 4.01 |
| - Remeasurement of defined benefit plans | (i) | (1.01) |
| - Income tax relating to these items | | |

Total comprehensive income as per Ind AS

1,152.03

F. Reconciliations of cash flows for the year ended March 31, 2021

| Particulars | Notes to first time adoption | Amount as per previous GAAP | Effect of transition to Ind AS | Amount as per Ind AS |
|--------------------------------------|------------------------------|-----------------------------|--------------------------------|----------------------|
| Cash flows from operating activities | (l) | 1,099.55 | (1,188.05) | (88.50) |
| Cash flows from investing activities | (l) | (209.57) | 188.51 | (21.06) |
| Cash flows from financing activities | (l) | (405.01) | 998.49 | 593.48 |

G. Notes to first-time adoption:

(a) Leases

Indian GAAP requires accounting of leases as either operating lease or finance lease. Ind AS 116 requires recognition of right-of-use asset and lease liability for all leases except short term lease and lease of low value assets. Under Indian GAAP, the Company had accounted for its lease as operating lease and recognised lease rent as expense in Statement of Profit & Loss. On transition to Ind AS, the Company has recognised right-of-use assets and lease liabilities of ₹ 7.34 Lacs each at initial recognition and depreciation on right-of-use assets of ₹ 0.43 Lacs and finance cost on lease liabilities of ₹ 0.19 Lacs for the year ended March 31, 2021 and reversed the lease rent expenses of ₹ 0.53 Lacs.

(b) Trade receivables - Expected credit loss (ECL)

Under Previous GAAP, provision for doubtful loans and receivables was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, including trade receivables needs to be calculated using the expected credit loss model. Accordingly, an additional provision was recognized as at April 1, 2020 of ₹ 66.38 Lacs and ₹ 2.73 Lacs as at March 31, 2021. As a result, the total equity was decreased by ₹ 66.38 Lacs and ₹ 69.11 Lacs as on April 1, 2020 & March 31, 2021 respectively and the profit for the year ended March 31, 2021 decreased by ₹ 2.73 Lacs.

(c) Borrowing - Transaction costs

Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method. Accordingly, borrowings as at April 1, 2020 have been reduced by ₹ 1.42 Lacs and ₹ 14.72 Lacs as at March 31, 2021. The total equity increased by an equivalent amount and the profit for the year ended March 31, 2021 increased by ₹ 13.30 Lacs.

(d) Preference share capital

Schedule III as applicable to financial statements prepared under Ind AS requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of financial instrument received. Accordingly, preference share capital paid up amounting to ₹ 279.00 Lacs consisting of 27,90,000 0.01% non-convertible non-cumulative redeemable preference shares of ₹ 10 each as at April 1, 2020 and ₹ 699.00 Lacs consisting of 69,90,000 0.01% non-convertible non-cumulative redeemable preference shares of ₹ 10 each as at March 31, 2021 have been reclassified under debt or equity component of shares.

Accordingly, financial liability component of ₹ 90.55 Lacs and deferred fair value gain of ₹ 188.45 Lacs retrospectively and finance costs of ₹ 0.15 Lacs and finance income of ₹ 0.21 Lacs upto April 1, 2020 and finance costs of ₹ 11.37 Lacs and finance income of ₹ 18.85 Lacs for the year ended March 31, 2021 have been recognised.

Further for preference shares issued during FY 2020-21 amounting to ₹ 420.00 Lacs consisting of 42,00,000 0.01% non-convertible non-cumulative preference shares of ₹ 10 each, financial liability component of ₹ 132.35 Lacs and deferred fair value gain of ₹ 287.65 Lacs at initial recognition and finance costs of ₹ 2.92 Lacs and finance income of ₹ 4.92 Lacs for the year ended March 31, 2021 have been recognised.



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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

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(e) Interest free unsecured loans

Ind AS 109 requires fair valuation of financial liabilities. The Company has estimated fair value of its interest free unsecured loans from related parties and others and recognised the difference between amount of loan and fair value as deferred fair value gain amounting to ₹ 187.78 Lacs as at April 1, 2020 and ₹ 70.72 Lacs as at March 31, 2021. Further the Company has recognised finance costs of ₹ 157.18 Lacs and finance income of ₹ 159.10 Lacs for the year ended March 31, 2021.

(f) Remeasurement of defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2021 decreased by ₹ 4.01 Lacs. There is no impact on the total equity as at March 31, 2021.

(g) Prior period errors

The Company has recorded some expenditure of previous financial year after signing of previous financial statements. Now, the same has been rectified retrospectively.

(h) Revenue from operations - contract liability

Ind AS 115 requires determination of transaction price which may vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The Company has estimated the amount of rebates, price concessions etc. and revenue has been decreased by ₹ 32.12 Lacs for the year ended March 31, 2021, contract liability of ₹ 32.12 Lacs has been recognised as at March 31, 2021 and the total equity decreased by an equivalent amount as at March 31, 2021.

(i) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

(j) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

(k) Other equity

Retained earnings have been impacted consequent to the above Ind AS transition adjustments.

(l) Cash flows statement

The transition from previous GAAP to Ind AS has not had a material impact statement on cash flows except for the reclassifications of various assets and liabilities.

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54 Key Financial Ratios

Key financial ratios along with the details of significant changes (25% or more) in FY 2021-22 compared to FY 2020-21 is as follows:

| (A). Ratios | Formulae | For the year ended | | % Change | Reason for change |
|---|---|--------------------|----------------|----------|-----------------------|
| | | March 31, 2022 | March 31, 2021 | | |
| a) Current ratio (in times) | Current assets / Current liabilities | 1.30 | 1.59 | -18.63% | Less than 25% |
| b) Debt equity ratio (in times) | Debt / Shareholders' equity | 1.96 | 1.41 | 38.98% | Refer footnote C(i) |
| c) Debt service coverage ratio (in times) | Earnings available for debt services / (Repayment of borrowings + Interest) | 1.95 | 2.32 | -16.00% | Less than 25% |
| d) Return on Equity Ratio (%) | Profit/(loss) after taxes / Total equity | 37.01% | 34.22% | 8.16% | Less than 25% |
| e) Return on Capital Employed Ratio (Pre tax) (%) | Earning before interest & tax / Capital employed | 34.86% | 33.69% | 3.50% | Less than 25% |
| f) Return on Investments Ratio (Post tax) (%) | Profit after tax / Total assets | 9.41% | 10.79% | -12.75% | Less than 25% |
| g) Net profit ratio (%) | Net profit / Revenue from operations | 3.56% | 3.62% | -1.51% | Less than 25% |
| h) Inventory Turnover Ratio (in times) | Cost of Goods Sold / Average Inventory | 9.76 | 11.02 | -11.49% | Less than 25% |
| i) Trade Receivable Turnover Ratio (in times) | Credit sales / Average trade receivables | 20.11 | 9.49 | 112.00% | Refer footnote C(ii) |
| j) Trade payables turnover ratio (in times) | Credit purchases / Average trade payables | 29.25 | 17.65 | 65.74% | Refer footnote C(iii) |
| k) Net capital Turnover Ratio (in times) | Revenue from operations / Average working capital | 20.64 | 16.99 | 21.53% | Less than 25% |



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(B). Explanation on items included in numerator and denominator for computation of above ratios:

- (i). Total debt includes non-current borrowings and current borrowings.
- (ii). Earnings available for debt services: Profit/ (loss) after tax + Depreciation and amortisation expenses + Finance costs
- (iii). Cost of goods sold: Cost of material consumed + Change in inventories
- (iv). Repayment of borrowings includes interest paid during the year and current maturities of non-current borrowings.

(C). Reasons for significant changes (25% or more)

- (i). Debt equity ratio has been increased on account of increase in total debt in current financial year.
- (ii). Trade receivable turnover ratio has been increased on account of increase in credit sales in current financial year.
- (iii). Trade payables turnover ratio has been increased on account of increase in credit purchases in current financial year.

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Vanya Steels Private Limited

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

55 Reconciliation of quarterly returns or statements of net working capital filed with banks or financial institutions

| Quarter | Aggregate working capital limits sanctioned | Amount utilised during the quarter | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference | Reasons for material discrepancies |
|----------------|---|------------------------------------|--------------------------------|---|----------------------|------------------------------------|
| June 2021 | 2,100.00 | 2,047.59 | 5,602.18 | 5,637.33 | (35.15) | Refer footnote i |
| September 2021 | 2,100.00 | 1,917.95 | 4,429.16 | 4,396.61 | 32.55 | Refer footnote i |
| December 2021 | 2,100.00 | 1,942.27 | 6,655.19 | 6,871.24 | (216.05) | Refer footnote i & ii |
| March 2022 | 7,100.00 | 5,984.93 | 9,617.47 | 8,688.28 | 929.19 | Refer footnote i |

Footnotes:

- (i) The differences are on account of statement filed with the banks prepared based on provisional financial statements and regrouping of various ledgers.
(ii) The difference of ₹ 165.61 Lacs is on account of reclassification of balance to security deposits earlier it was mistakenly grouped under trade receivables.

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Vanya Steels Private Limited

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Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

- 56 The Parliament of India has approved new Labour Codes which would impact the contributions by the Company towards Provident Fund, Employee State Insurance and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Codes become effective and the related rules are published.
- 57 The Company does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- 58 The Company does not have any immovable property (other than properties where the Company is a lessee and the lease agreements are duly executed in the favour of the lessee) whose title deeds are not held in the name of the Company.
- 59 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 60 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 61 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 62 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 63 The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies ("ROC") beyond the statutory period.
- 64 The Company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 65 The Company has not been declared a wilful defaulter by any bank or financial institutions or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 66 The Company has not used any borrowings from banks and financial institutions for purpose other than for which it was taken.
- 67 Due to spread of 'COVID-19' pandemic the Government imposed a nationwide lockdown and other restrictions on movement with effect from March 25, 2020. Consequently, the Company's offices were closed and operations temporarily suspended since then. The Company has drawn projected cash flow for the next one year, based on certain assumptions and has concluded that the Company will have sufficient liquidity to continue its operations. In assessing the recoverability of its current assets including trade receivables, loan and advances, the Company has considered internal and external information upto the date of approval of these financial statements, has performed sensitivity analysis on the assumptions based on current indicators of the future economic conditions and considered the same in preparing these financial results. The Company is confident of recovering the carrying amount of these assets.

However, the impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.



Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

Notes to the financial statements for the year ended March 31, 2022

(All amount are in ₹ Lacs, unless otherwise stated)

- 68 These financial statements were approved for issue by the Board of Directors on September 27, 2022.
- 69 There are no standards that are issued but not yet effective on March 31, 2022.
- 70 Pursuant to the notification issued by the Ministry of Corporate Affairs dated March 24, 2021, in respect of changes incorporated in Schedule III of the Companies Act, 2013, the figures for the corresponding previous periods/year have been regrouped/reclassified wherever necessary to make them comparable.
- 71 Previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability.

For R. Singhvi & Associates
Chartered Accountants
ICAI FRN: 0038705

CA Subhash Chand Singhvi
Partner
Membership No.: 024534

Place: Bengaluru
Date: September 27, 2022



For and on behalf of the Board of Directors of
Vanya Steels Private Limited

Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru
Date: September 27, 2022



Sandeep Kumar
Director
DIN: 02112630



Pooja Sara Nagaraja
Company Secretary
M. No.: A52496



VANYA STEELS PRIVATE LIMITED



Registered Office: A One House No.326,
Back Portion, First Floor Ward No. 08, CQAL
Layout, Sahakar Nagar
Bengaluru - 560092 Karnataka, India
Phone: 080- 4564 6001
Email: info@aonesteelgroup.com
Web: www.aonesteelgroup.com
CIN: U74999KA2005PTC125578

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **VANYA STEELS PRIVATE LIMITED** ("Company") will be held at shorter notice on Friday, 30th September 2022 at 10.00 A.M at the Registered office of the Company Situated at A One House No.326, Back Portion, First Floor Ward No. 08, CQAL Layout, Sahakar Nagar Bengaluru - 560092 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2022 and the Profit & Loss Account for the year ended as on that date and the Report of the Auditor's and Board of Directors' attached thereon.

2. **To Fix Remuneration of Statutory Auditors:**

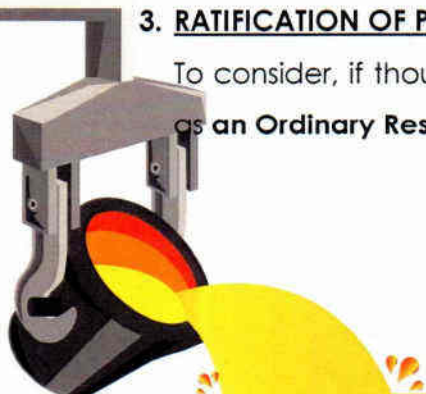
To consider, if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 139(1) and Section 142(1) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. R. Singhvi & Associates (FRN: 03870S), Chartered Accountants, were appointed as Statutory Auditors of the company at the 14th Annual general Meeting held on 31st October 2019 for period of 4 years and to hold office until the conclusion of the 18th Annual General Meeting and that the Board of Directors hereby authorised to fix the remuneration for the remaining tenure of the said auditors in consultation with them."

SPECIAL BUSINESS:

3. **RATIFICATION OF PAYMENT OF REMUNERATION TO COST AUDITORS:**

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



"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 45,000 plus applicable taxes and out of pocket expenses payable to the Cost Auditors, M/s. Vishwanath Bhat & Co., (FRN: 100509) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2022-23, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: 27.09.2022

Place: Bengaluru

By Order of the Board

For **VANYA STEELS PRIVATE LIMITED**



(SANDEEP KUMAR)

Director

DIN: 02112630



**Address: No .J 206 Purva Venezia Apartment
Yelahanka New Town, G.K.V.K
Bangalore North 560065**

Note:

1. A member is entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.
3. The meeting is convened at short notice with the consent of all the shareholders of the Company.
4. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the items mentioned under special business of the notice is as follows:

ITEM NO. 03:

The Board has approved the appointment and payment of remuneration to M/s. Vishwanath Bhat & Co, (FRN: 100509), the Cost Auditor to conduct the audit of the cost records maintained by the company for the financial year 2022-23.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2022-23.

None of the Directors of the company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

By Order of the Board

For **VANYA STEELS PRIVATE LIMITED**

Date: 27/09/2022

Place: Bengaluru



(SANDEEP KUMAR)

Director

DIN: 02112630



**Address: No .J 206 Purva Venezia Apartment
Yelahanka New Town, G.K.V.K
Bangalore North 560065**

Route Map to VANYA STEELS PRIVATE LIMITED:



THE COMPANIES ACT, 2013
Consent by Shareholder for shorter Notice
[Pursuant to section 101(1)]

To,
The Board of Directors,

Date: 27.09.2022

VANYA STEELS PRIVATE LIMITED

A One House No.326, Back Portion, First Floor
Ward No. 08, CQAL Layout, Sahakar Nagar Bengaluru - 560092

Re: Consent for holding 17th Annual General Meeting at short notice.

I, **Sandeep Kumar**, residing at No .J 206 Purva Venezia Apartment Yelahanka New Town, G.K.V.K Bangalore North -560065, holding 01 Equity shares of Rs. 10/- each in **VANYA STEELS PRIVATE LIMITED**, hereby give my consent, pursuant to Section 101(1) of the Companies Act, 2013, to hold the 17th Annual General Meeting of the Company on **Friday, 30th September 2022 at 10.00A.M** at shorter notice.



Signature:
(Sandeep Kumar)



A-ONE STEEL AND ALLOYS PRIVATE LIMITED



Registered Office: A-One House
No.326, CQAL Layout, Sahakarnagar,
Bangalore - 560 092, Karnataka, India.
Phone : 080 - 4564 6000
Email : info@aonesteelgroup.com
Web : www.aonesteelgroup.com
CIN: U28999KA2012PTC063439

APPOINTMENT OF CORPORATE REPRESENTATIVE

To,

Date: 27.09.2022

The Board of Directors,

VANYA STEELS PRIVATE LIMITED

A One House No.326, Back Portion, First Floor
Ward No. 08, CQAL Layout, Sahakar Nagar Bengaluru - 560092

We, **A-One Steel and Alloys Private Limited**, registered office of which is situated at A One House, No. 326, CQAL Layout Ward No. 08, Sahakar Nagar Bengaluru - 560092, hereby certifies that, by resolution of the Directors, has appointed and authorised Mr. Sunil Kumar Jalan to act as its Corporate Representative to attend and vote at the 17th Annual General Meeting of the members of **VANYA STEELS PRIVATE LIMITED** to be held on Friday, 30th September 2022 at 10.00A.M or any adjournment thereof;

For **A-One Steel and Alloys Private Limited**

Sandeep Kumar
Director



Factory : Plot No. IP 62 & IP 63, Road No. 3, KIADB Industrial Area, Gouribidanur - 561 208, Chickaballapur Dist, Karnataka, India.

Factory : Ward No. 2, Plot No. 412, Sidiginamola Village, Bellary-Alur Highway, Bellary - 583 138 (Karnataka)

Factory : Sy. No 173/1, Sandur Taluk, Village Chikkantapur, Bellary, Karnataka, 583123

Works: Basement, 1/79, Kota Enclave, Sri Sai Nagar, Near M R O Office, Muthukur, Sri Potti Sriramulu Nellore, Andhra Pradesh - 524 344.



VANYA STEELS PRIVATE LIMITED



Registered Office: A One House No.326,
Back Portion, First Floor Ward No. 08, CQAL
Layout, Sahakar Nagar
Bengaluru - 560092 Karnataka, India
Phone: 080- 4564 6001
Email: info@aonesteelgroup.com
Web: www.aonesteelgroup.com
CIN: U74999KA2005PTC125578

BOARD'S REPORT

To,

Dear Shareholders,

Your directors have pleasure in presenting their 17th Annual Report on working of your Company together with audited statement of Accounts of the company for the year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS/STATE OF COMPANY'S AFFAIRS:

Financial performance of your Company on a standalone basis for the financial year 2021-22 are summarized below:

(Amount in Lakhs)

| Particulars | From 01 st April, 2021 to 31 st March, 2022 | From 01 st April, 2020 to 31 st March, 2021 |
|----------------------------------|--|--|
| Net Revenue from operations | 55477.88 | 31751.33 |
| Other Income | 119.89 | 190.23 |
| Total Revenue | 55597.77 | 31941.56 |
| Total Expenditure | 52943.75 | 30404.51 |
| Profit/(Loss) before tax | 2654.02 | 1537.05 |
| Tax Expenses & Deferred Tax | 676.77 | 388.02 |
| Profit / (Loss) after tax | 1977.25 | 1149.03 |

2. PERFORMANCE REVIEW:

During the year under review, your Company has registered revenue from operations of Rs. 55477.88 Lakhs as compared to previous year revenue of Rs. 31751.33 Lakhs by



registering a growth rate of 74.73%. Your Company has recorded Profit before tax of Rs. 2654.02 Lakhs as compared to the previous year profit before tax of Rs.1537.05 Lakhs and registered Profit after tax during the year of Rs. 1977.25 Lakhs.

Your Directors expect that the performance of the Company during the current financial year would improve as estimated.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business carried out by the Company during the financial year 2021-22.

4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

There are no material changes and commitments affecting the financial position between end of financial year and date of report.

First Time adoption of Ind AS:

the company has prepared its Financial Statements in accordance with Ind AS for the year ended March 31,2022.For year ended March 31,2021,the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies(Accounting Standards) Rules, 2006 (as amended) ("previous GAAP").

5. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

6. PERFORMANCE AND FINANCIAL POSITION EACH OF ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any Subsidiaries, Associates and Joint Venture Companies. Hence the disclosure is not required to be made.

7. DIVIDEND:

Your Board of Directors have not recommended any dividend to equity shareholders for the year ending 31st March, 2022. However, as per terms of issue of preference shares, the Board of Directors have proposed to declare the dividend at 0.01% to non-cumulative shareholders whose name appears in the register of preference shareholders as on 31st March, 2022.

8. TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserve or any other reserves for the year under review.

9. SHARE CAPITAL:

The Board provides following disclosure pertaining to Companies (Share Capital and Debentures) Rule, 2014:

| Sl. No. | Particulars | Disclosure |
|---------|---|------------|
| 1. | Issue of Equity shares with differential rights | Nil |
| 2. | Issue of Sweat Equity shares | Nil |
| 3. | Issue of employee stock option | Nil |
| 4. | Provision of money by company for purchase of its own shares by trustees for the benefit of employees | Nil |

The Authorized Share Capital as on 31st March, 2022 was Rs. 23,00,00,000/- consisting of 1,60,00,000 equity shares of Rs. 10/- each and 70,00,000 Redeemable Preference shares of Rs. 10/- each and paid up share capital of the company was Rs. 22,15,01,670/- consisting of 15,160,167 Equity Shares of Rs. 10/- each and 69,90,000,0.01% Non-Cumulative Redeemable Preference shares of Rs. 10/- each.

During the year under review, company has not issued any shares or any convertible instruments.

10. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. During

the year, the Company has availed unsecured loan from the directors and the same has been disclosed in the notes to financial statement.

11. ANNUAL RETURN:

As per Section 92 (3) of the Companies Act, 2013 the Company shall place a copy of the annual return on the website of the company, if any and the web-link of such annual return shall be disclosed in the Board's report. Whereas since the Company does not have its website, hence the web-link is not given. The extract of the Annual Return in Form MGT 9 is annexed herewith as "**Annexure-I**".

12. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company being a Private company and hence provision with respect to Independent directors is not applicable.

13. RELATED PARTY TRANSACTIONS:

All contracts, arrangements, transactions entered into by the company during the financial year with the related parties were in the ordinary course of business and at arm's length basis. Details as required by Section 134(3) of the Companies Act, 2013 are given in Form AOC-2 as "**Annexure-II**".

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Board of Directors at their meeting held on 27th December 2019 has constituted CSR Committee. During the year, the Committee has met one time. Details as required under Section 134(3)(O) of the Companies Act, 2013 is enclosed as "**Annexure-III**".

15. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

| Sl. No. | PARTICULARS | DISCLOSURE |
|---------|--|--|
| (A) | Conservation of Energy: (i) The steps taken or impact on conservation of energy (ii) The steps taken by the company for utilizing alternate sources of | The Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance through improved |

| | | |
|-----|--|---|
| | energy (iii) The capital investment on energy conservation equipments | operational techniques. |
| (B) | Technology Absorption: (i) The efforts made towards technology absorption; (ii) The benefits derived like product improvement, cost reduction, product development or import substitution. (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year). (iv) The expenditure incurred on Research and Development. | Updation of Technology is a Continuous process; efforts are continuously made to develop new products required in the Company's activities. NA Nil Nil |

16. FOREIGN EXCHANGE EARNINGS AND OUTGO: (Amount in Lakhs)

| Particulars | As on 31.03.2022 | As on 31.03.2021 |
|--------------------------|------------------|------------------|
| Foreign Exchange Earning | Nil | Nil |
| Foreign Exchange Outgo | 468.84 | 515.72 |

17. BOARD OF DIRECTORS:

The Board comprises following Directors:

| Sl. No. | Name of the Director | Designation | Remuneration (amount in Rs.) |
|---------|-----------------------------------|-------------|------------------------------|
| 01. | Sandeep Kumar | Director | Nil |
| 02. | Sunil Jallan alias Jullian Jallan | Director | Nil |
| 03 | Mahesh Kumar | Director | Nil |

During the year, Mr. Mahesh Kumar has been appointed as Additional director of the Company wef 16/11/2021 and appointed as Director of the Company at the Annual General Meeting held on 30/11/2021.

18. NUMBER OF MEETINGS OF THE BOARD:

During the Financial year 2021-22, there were 12 Board Meetings held on following dates:

| SI No | Date of meeting | Total Number of directors associated as on the date of meeting | Attendance | |
|-------|-----------------|--|------------------------------|-----------------|
| | | | Number of directors Attended | % of attendance |
| 1 | 27.05.2021 | 02 | 02 | 100 |
| 2 | 24.06.2021 | 02 | 02 | 100 |
| 3 | 15.07.2021 | 02 | 02 | 100 |
| 4 | 21.08.2021 | 02 | 02 | 100 |
| 5 | 02.09.2021 | 02 | 02 | 100 |
| 6 | 24.09.2021 | 02 | 02 | 100 |
| 7 | 28.09.2021 | 02 | 02 | 100 |
| 8 | 08.11.2021 | 02 | 02 | 100 |
| 9 | 16.11.2021 | 02 | 02 | 100 |
| 10 | 10.01.2022 | 03 | 03 | 100 |
| 11 | 25.02.2022 | 03 | 02 | 66.67 |
| 12 | 28.03.2022 | 03 | 02 | 66.67 |

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given loans, guarantees under Section 186 of the companies Act, 2013 during the year under review. However, during the year, the Company has made investments in M/s. Atria Wind Power (Bijapur 1) Private Limited amounting to Rs. 2,06,641/- for subscription of 933 equity shares of Rs. 100/- each at a premium of Rs. 121.48 per share. The acquisition made by the Company is disclosed in the notes to financial statement. The company is purchasing power from M/s. Atria Wind Power (Bijapur 1) Private Limited. In order to establish a captive consumption ownership structure in accordance with the provisions of Electricity Rules, 2005, company has acquired the shares from the existing shareholders of the Atria.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departures;

- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.
- (e) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

21. COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has complied all the applicable Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI).

22. RISK MANAGEMENT:

The Company has been addressing various risks impacting the Company. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative.

The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. It also includes exchange risk as the transactions takes place among foreign countries.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

23. HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

24. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal financial control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining books of accounts and reporting financial statements.

25. REMUNERATION POLICY:

The Company is not covered under the provisions of Section 178(1) of the Companies Act, 2013. However, the remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The employees who are engaged in clerical, administrative and professional services are suitably remunerated according to the industry norms.

26. VIGIL MECHANISM:

The company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177 (9) of the companies act 2013 read with Rule 7(1)(b) of the Companies (Meeting of Board and its powers) Rules 2014 to report concerns about unethical behaviour.

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

The Company has in place a prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set

up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2021-22, no complaints were received by the Company related to sexual harassment.

28. DISCLOSURE FOR MAINTENANCE OF COST RECORDS AS PER SECTION 148(1):

The Company is maintaining the books of accounts and other related records as per rules prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

29. PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

30. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2022.

31. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

As on 31st March 2022, the Company did not entered transaction for One Time Settlement of loan/borrowings from Bank and obtaining valuation report on the same.

32. AUDITORS:

i) STATUTORY AUDITORS:

M/s. R. Singhvi & Associates, (FRN: 03870S), were appointed as Statutory Auditor of the Company at the 14th Annual General Meeting held on 31st October 2019 and

holds office up to the conclusion of 18th Annual General Meeting. Accordingly, the Board proposed to fix the remuneration in consultation with the said auditors.

AUDITOR'S REPORT: The Auditors' have issued an unqualified Report for the year ended 31st March 2022 and did not called for any comments from the management under Section 134 of the Companies Act, 2013. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Following are reported in the Auditors report:

- a. In Point No ii(b) of the Auditors Report it is reported that The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The deviations noted between the books of accounts and the quarterly returns/statements filed with such banks and financial institutions have been disclosed in Note no 55 of the financial statements:

Reconciliation of quarterly returns or statements of net working capital filed with banks or financial institutions

| Quarter | Aggregate working capital limits sanctioned | Amount utilised during the quarter | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference |
|----------------|---|------------------------------------|--------------------------------|---|----------------------|
| June 2021 | 2,100.00 | 2,047.59 | 5,602.18 | 5,637.33 | (35.15) |
| September 2021 | 2,100.00 | 1,917.95 | 4,429.16 | 4,396.61 | 32.55 |
| December 2021 | 2,100.00 | 1,942.27 | 6,655.19 | 6,871.24 | (216.05) |
| March 2022 | 7,100.00 | 5,984.93 | 9,617.47 | 8,688.28 | 929.19 |

Management Representation:

The differences are on account of statement filed with the banks prepared based on provisional financial statements and regrouping of various ledgers. The management is taking necessary action for the same.

- b. following are the dues of income tax and goods and service tax which have not been deposited with the appropriate authorities on account of dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------------|---------------------------|------------------------------|---|---|
| The Income-Tax Act, 1961 | Income Tax | 229.31 | AY2015-16 to AY2021-22 | CPC, Income Tax and Others |

With respect to above said dues, the company has filed Appeal before the Commissioner of Income Tax (Appeals) and matter is still pending with the Commissioner of Income Tax (Appeals).

ii) INTERNAL AUDITOR:

Pursuant to provisions of Section 138 of the companies Act, 2013 read with Companies (Accounts) Rules, 2014 M/s. Anand Shankar & Company, Chartered Accountants (FRN: 023455N) were appointed as Internal Auditor of the company.

iii) COST AUDITOR:

The Board has appointed M/s. Vishwanath Bhat & Co, Cost Accountants (FRN: 100509) as the Cost Auditor of the Company for the Financial Year 2022-23 to conduct the cost audit.

The Board of Directors of the company proposes the ratification of remuneration payable to M/s. Vishwanath Bhat & Co, Cost Accountants (FRN: 100509) for the Financial Year 2022-23 at the ensuing Annual General Meeting.

Further, the cost auditors have not made any qualification on the operations of the Company for the FY 2021-22 in their report.

IV) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. R. Singhal & Associates, Practicing Company Secretaries appointed as Secretarial Auditor of the company for F.Y 2021-22.

| Sl. No | Observation made by the secretarial auditor | Management Representation |
|---------------|---|---|
| 1 | The Company has not filed Form CHG-1 with the Registrar of Companies in relation to the charge created on motor vehicle purchased by the Company. Loan of INR 35,00,000/- was availed from IDFC First Bank Limited in this regard | The management took all the actions to file Form CHG-1 and approach the IDFC First Bank (Bank) to file the charge form with the ROC to protect the interest of the lender as per provisions of the companies Act, 2013. However, the bank has contended that, filing of charge creation cannot be done since the loan amount is less than INR 50,00,000/- and vehicle is hypothecated as per the latest RTO Records. Hence, company couldn't file the Form CHG-1 within 120 days from the date of creation as per the time prescribed under the Companies |

| | |
|--|------------|
| | act, 2013. |
|--|------------|

33. IMPACT OF COVID-19

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and has concluded that there is no impact which is required to be recognized in the financial statements.

34. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank its Bankers for their support in the growth of the Company. Your Directors wish to acknowledge with gratitude the patronage extended to the Company by the large body of its customers and contribution made by the employees at all levels and look forward to their dedicated commitment in the years to come towards the Company reaching greater heights.

Finally, Directors would like to convey their deep sense of gratitude to the members and look forward to their continued support in the growth of the Company.

On Behalf of the Board
FOR VANYA STEELS PRIVATE LIMITED



(Sunil Jallan)

Director

DIN: 02150846

**Address: No 1601-1602, 16th Floor,
B Wing Cedar Tower Vi Godrej Woodsman
Estate, Hebbal Bangalore North 560024**

(Sandeep Kumar)

Director

DIN: 02112630

**Address: No .J 206 Purva Venezia
Apartment Yelahanka New Town,
G.K.V.K Bangalore North 560065**



Date: 27.09.2022

Place: Bangalore

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2022

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

| | | |
|-------|--|--|
| 1. | CIN | U74999KA2005PTC125578 |
| 2. | Registration Date | 20/06/2005 |
| 3. | Name of the Company | VANYA STEELS PRIVATE LIMITED |
| 4. | Category/Sub-category of the Company | Company Limited by shares/Indian Non-Government Company |
| 5. | Address of the Registered office | A One House No.326, Back Portion, First Floor Ward No. 08, CQAL Layout, Sahakar Nagar Bengaluru - 560092 |
| 5(i) | Contact No. | 080-45646000 |
| 5(ii) | E-mail ID | legal@aonesteelgroup.com |
| 6. | Whether listed company | No |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Not Applicable |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

| Sl. No. | Name and Description of Main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 01 | Manufacture of iron and steel | 2410 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

| Sl.N o. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|---------------------------------|------------------|--------------------|
| 01 | A-One Steel and Alloys Private Limited | U28999KA2012PTC063439 | Holding | 100% | Section 2(46) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|--------------------|--------------------|-------------------|---|--------------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | 01 | 01 | 0.01 % | - | 01 | 01 | 0.01% | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | 1,51,60,166 | 1,51,60,166 | 99.99 % | - | 1,51,60,166 | 1,51,60,166 | 99.99 % | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub- Total (A) (1):- | | 1,51,60,166 | 1,51,60,166 | 100 % | | 1,51,60,166 | 1,51,60,166 | 100% | - |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub- Total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoters (A)= (A)(1)+ (A)(2) | - | 1,51,60,167 | 1,51,60,167 | 100 | | 1,51,60,167 | 1,51,60,167 | 100% | - |

| | | | | | | | | | |
|---|---|-------------|-------------|------|---|-------------|-------------|------|---|
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 1,51,60,167 | 1,51,60,167 | 100% | | 1,51,60,167 | 1,51,60,167 | 100% | - |

ii) SHAREHOLDING OF PROMOTERS:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 01. | Sandeep Kumar | 01 | 0.01% | Nil | 01 | 0.01% | Nil | Nil |
| 02. | A-One Steel and Alloys Private Limited | 1,51,60,166 | 99.99% | Nil | 1,51,60,166 | 99.99% | Nil | Nil |
| | Total | 1,51,60,167 | 100% | - | 1,51,60,167 | 100% | Nil | Nil |

iii) Changes in Promoters' Shareholding: NA

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease | | | Cumulative Shareholding during the year | |
|---------|--------------------|---|----------------------------------|---|------|---------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | Reason for Increase/ Decrease | Date | No. of Shares | No. of Shares | % of total Shares of the company |
| | | | | | | | | |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE.

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during theyear | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| bonus/ sweat equity etc): | | | | |
| At the end of the year (or on the date of separation, if separated during the year) | - | - | - | - |

v) Shareholding of Directors and Key Managerial Personnel: NA

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 01 | Sandeep Kumar | | | | |
| | At the beginning of the year | 01 | 0.01% | 01 | 0.01% |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 01 | 0.01% | 01 | 0.01% |

V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:(Amount in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | - | - |
| i) Principal Amount | 4129.31 | 611.96 | - | 4741.27 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4129.31 | 611.96 | | 4741.27 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 5971.11 | - | - | 5971.11 |
| • Reduction | - | 228.35 | - | 228.35 |
| Net Change | 5971.11 | 228.35 | - | 6210.35 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 10100.42 | 383.61 | - | 10484.03 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 10100.42 | 383.61 | | 10484.03 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

A. REMUNERATION TO DIRECTORS, MANAGING DIRECTOR, WHOLE-TIME DIRECTORS, AND /OR MANAGER:

| Sl. No. | Particulars of Remuneration | Name of Director/MD/WTD/Manager | | | | | |
|---------|---|---------------------------------|---|---|---|---|---|
| | | | | | | | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - | - | - | - |
| 5 | Others, (Sitting Fees) | - | - | - | - | - | - |
| | Total (A) | | | | | | |
| | Ceiling as per the Act | - | - | - | - | - | - |

B. REMUNERATION TO OTHER DIRECTORS:NIL

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|-------------------|---|---|---|--------------|
| | | - | - | - | - | |
| 1 | Independent Directors | - | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | - | - | - | - | - |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, | | | - | - | - |
| | Total (2) | | | - | - | - |
| | Total (B)=(1+2) | | | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - | - |


C. Remuneration to key managerial personnel other than MD/MANAGER/WTD: NIL

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | - | - | - |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

On Behalf of the Board
FOR VANYA STEELS PRIVATE LIMITED


(Sunil Jallan)
Director

DIN: 02150846

Address: No 1601-1602, 16th Floor,
B Wing Cedar Tower Vi Godrej Woodsman
Estate, Hebbal Bangalore North 560024


(Sandeep Kumar)
Director

DIN: 02112630

Address: No .J 206 Purva Venezia
Apartment Yelahanka New Town,
G.K.V.K Bangalore North 560065



Date: 27.09.2022
Place: Bangalore

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. :
NA
2. Details of contracts or arrangements or transactions at Arm's length basis.

| Sl No | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount paid as advances, if any |
|-------|--|--|--|---|-------------------------------|---------------------------------|
| 01 | A One Steels India Private Limited, Directors are interested | Sale of Goods | As per mutual agreement | As per mutual agreement | 16.12.2020 | Nil |
| | | Purchase of Goods | As per mutual agreement | As per mutual agreement | 16.12.2020 | Nil |
| 02 | A-One Steel and Alloys Private Limited, Holding company and directors are interested | Sale of Goods | As per mutual agreement | As per mutual agreement | NA | Nil |
| | | Purchase of Goods | As per mutual agreement | As per mutual agreement | NA | Nil |
| | | Purchase of Property, Plant and Equipments | As per mutual agreement | As per mutual agreement | NA | Nil |
| | | Transportation and handling charges | As per mutual agreement | As per mutual agreement | NA | Nil |

Annexure-II

| | | | | | | |
|---|--|---------------|-------------------------|-------------------------|------------|-----|
| 3 | A-One Gold Pipes and Tubes Private Limited Fellow Subsidiary Company and Directors interested | Sale of Goods | As per mutual agreement | As per mutual agreement | 16.12.2020 | Nil |
|---|--|---------------|-------------------------|-------------------------|------------|-----|

On Behalf of the Board
FOR VANYA STEELS PRIVATE LIMITED



(Sunil Jalan)

Director

DIN: 02150846

**Address: No 1601-1602, 16th Floor,
B Wing Cedar Tower Vi Godrej Woodsman
Estate, Hebbal Bangalore North 560024**

(Sandeep Kumar)

Director

DIN: 02112630



**Address: No .J 206 Purva Venezia
Apartment Yelahanka New Town,
G.K.V.K Bangalore North 560065**

Date: 27.09.2022
Place: Bangalore

CORPORATE AND SOCIAL RESPONSIBILITY POLICY:**1. A brief outline of the CSR policy of the Company:**

The Company's Corporate Social Responsibility Policy('CSR Policy') is framed as per the requirements of Section 135 of the Companies Act, 2013 ('the Act'). As per the policy, the company's aimed at demonstrating care for the community through its focus on education & skill development, eradicating hunger, health & wellness and environmental sustainability. Also embedded in this objective is support to the marginalized cross section of the society by providing opportunities to improve their quality of life.

The projects undertaken during the financial year 2021-22 are within the broad framework of Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee: Not applicable

As per Companies (Corporate Social Responsibilities) Amendment Rules, 2021, the constitution of CSR Committee is not applicable to the Company.

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|---|--|--|
| | | | | |
| | | | | |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: NA**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: Not Applicable.**

5.

(Amount in Lakhs)

| | | |
|----|---|------------------|
| a. | Average net profit of the company as per section 135(5): | Rs. 897.28 Lakhs |
| b. | Two percent of average net profit of the company as per section 135(5): | Rs. 17.95 Lakhs |
| c. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| d. | Amount required to be set off for the financial year, if any | Rs. 0.81 Lakhs |
| e. | Total CSR obligation for the financial year [(b)+(c)-(d)] | Rs. 17.14 Lakhs |

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):Rs. 27.37 Lakhs

b. Amount spent in Administrative Overheads: NIL

c. Amount spent on Impact Assessment, if applicable: Nil

d. Total amount spent for the Financial Year (a+b+c): Rs. 27.37 Lakhs

e. CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in Lakhs.) | Amount Unspent (in Lakhs.) | | | | |
|---|--|------------------|--|--------|------------------|
| | 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 |
| Rs. 27.37 Lakhs | NIL | N.A | NA | Nil | NA |
| | | | | | |
| | | | TOTAL | - | |

f. Excess amount for set off, if any:

| Sl.No. | Particular | Amount (in Lakhs) |
|--------|------------|-------------------|
|--------|------------|-------------------|

| (1) | (2) | (3) |
|-------|--|---|
| (i) | Two percent on average net profit of the company as per section 135(5) | Rs. 17.95 Lakhs (out of which Rs. 0.81 Lakhs was set-off from the excess spend for the previous year). Hence, CSR obligation will be Rs. 17.14 Lakhs |
| (ii) | Total amount spent for the Financial Year | Rs. 27.37 Lakhs |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Rs. 10.23 Lakhs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the financial years, if any | 0 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Rs. 10.23 Lakhs |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

| 1 # | (2) Preceding Financial Year(s) | (3) Amount transferred to Unspent CSR Account under 135(6) (in Rs.) | (4) Balance Amount in Unspent CSR Account under 135(6) | (5) Amount Spent in the Financial Year (in Rs) | (6) Amount transferred to a Fund as specified under Schedule VII as per second proviso to 135(5), if any | (7) Amount remaining to be spent in succeeding Financial Years (in Rs) | (8) Deficiency, if any |
|----------------|------------------------------------|--|---|---|---|---|---------------------------|
| | | | | | | Amount (in Rs) | Date of Transfer |
| NOT APPLICABLE | | | | | | | |

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): YES/NO; If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not applicable**

| # | 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 | | |
|-----|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| | | | | | | | |

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): **Not Applicable**

On Behalf of the Board
FOR VANYA STEELS PRIVATE LIMITED



(Sunil Jalan)

Director

DIN: 02150846

(Sandeep Kumar)

Director

DIN: 02112630



Address: No 1601-1602, 16th Floor, B Wing Cedar Tower Vi Godrej Woodsman Apartment Yelahanka New Town, Estate, Hebbal Bangalore North 560024 **Address: No .J 206 Purva Venezia G.K.V.K Bangalore North 560065**

Date: 27.09.2022
Place: Bangalore