

Consolidated Financial Statements and  
Auditors' Report

A-One Steels And Alloys Private Limited

31 March 2021

**TO THE MEMBERS OF A-ONE STEEL AND ALLOYS PRIVATE LIMITED**

Bangalore

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **A-ONE STEEL AND ALLOYS PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2021 and its consolidated profit and its consolidated cash flows for the year ended.

**Basis for Opinion**

We conducted our audit of the consolidated 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 consolidated financial statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

**Emphasis of Matter-Other Issues**

Also, we invite attention to **Note No-17** to the financial statements which describes the impact of **COVID-19**, a global pandemic, on the operations and financial matters of the company.

Our opinion is not modified in respect of this matter.



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

The Group's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

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

The respective Board of Directors of the companies included in the Group are responsible for 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 consolidated financial statements, management is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.



**Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Refer to paragraph "material uncertainty related to going concern" above in respect to our reporting on going concern appropriateness. 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.



Materiality is the magnitude of misstatements in the consolidated 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 & Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors of the Holding on 31<sup>st</sup> March 2021 taken on record by the Board of Directors of the Company & its subsidiaries, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of The Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on Auditor's report of the company and its subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of The Group's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act not applicable to the Group.



h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There were no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies.

**For Singhi & Co**  
Chartered Accountants  
ICAI FRN NO. 302049E

  
**CA Vijay Jain**  
Partner  
M.No.077508  
UDIN: 21077508AAAAANH1686

Place: **Bangalore**  
Date:28/09/2021

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of A-One Steel And Alloys Private Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of A-One Steel And Alloys Private Limited and its subsidiaries (hereinafter referred to as "the group"), as of that date.

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

The Board of Directors of the group is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group 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. 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 respective 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 internal financial controls over financial reporting of The Group 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 internal financial controls system over financial reporting of the Group.



**Meaning of Internal Financial Controls over Financial Reporting** [www.singhico.com](http://www.singhico.com)

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 group; (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 group are being made only in accordance with authorizations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the group 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).

**For Singhi & Co**

Chartered Accountants  
ICAI FRN NO. 302049E


**C A Vijay Jain**  
Partner  
M.No.077508  
UDIN: 21077508AAAANH1686

Place: **Bangalore**  
Date: 28/09/2021

**A-One Steel And Alloys Private Limited**  
CIN - U28999KA2012PTC063439

Address : A One House, No. 326, Ward No 08, CQAL Layout, Sahakarnagar, Bangalore KA 560092  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

	Note no.	As at 31 March 2021 Rs in Lakhs	As at 31 March 2020 Rs in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2A	1,300.00	900.00
Minority Interest	2B	1,689.00	279.00
Reserves and surplus	2C	12,855.77	5,433.20
		<b>15,844.77</b>	<b>6,612.20</b>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings	2D	9,296.55	9,419.99
Deferred tax liabilities (Net)	2E	697.46	263.08
Other Long term liabilities	2F	99.15	2,305.81
Long Term Provisions	2G	126.10	95.60
		<b>10,219.25</b>	<b>12,084.48</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	2H	9,266.47	8,890.69
Trade payables			
-MSME Trade Payables	2I	606.21	61.88
-Other Trade Payables		13,127.91	13,702.87
Other current liabilities	2J	6,692.96	5,446.57
Short Term Provisions	2K	499.32	303.97
		<b>30,192.87</b>	<b>28,405.98</b>
<b>TOTAL</b>		<b>56,256.90</b>	<b>47,102.65</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Property Plant And Equipment</b>			
-Tangible assets		13,444.40	14,314.22
-Intangible Asset	2L	-	-
-Goodwill on Consolidation		0.08	0.08
-Capital Work in Progress		612.64	85.73
Non Current Investments	2M	50.50	49.31
Long Term Loans & Advances	2N	369.23	219.91
		<b>14,476.85</b>	<b>14,669.25</b>
<b>CURRENT ASSETS</b>			
Inventories	2O	16,839.50	10,052.69
Trade receivables	2P	16,235.59	17,603.47
Cash and Cash Equivalents	2Q	3,623.84	951.09
Short-term loans and advances	2R	5,000.98	3,694.67
Other Current Assets	2S	80.14	131.48
		<b>41,780.05</b>	<b>32,433.40</b>
<b>TOTAL</b>		<b>56,256.90</b>	<b>47,102.65</b>

The notes referred to above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For SINGHI & CO.

Chartered Accountants  
ICAI FRN.302049E

Partner VIJAY JAIN  
M.No.077508  
Place : Bengaluru  
Date: 28/09/21



For and on behalf of the Board of Directors



SUNIL JALLAN  
Director  
DIN: 02150846  
Place: Bengaluru

SANDEEP KUMAR  
Director  
DIN: 02112630  
Place: Bengaluru



POOJA SARA NAGARAJA  
Company Secretary

MNO: A52496



**A-One Steel And Alloys Private Limited**

**CIN - U28999KA2012PTC063439**

**Address : A One House, No. 326, Ward No 08, CQAL Layout, Sahakarnagar, Bangalore KA 560092 IN  
CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021**

	Note no.	As at 31 March 2021 Rs in Lakhs	As at 31 March 2020 Rs in Lakhs
<b>INCOME</b>			
Revenue from operations	3A	1,65,620.64	1,48,393.98
Other income	3B	213.35	269.20
		<b>1,65,833.99</b>	<b>1,48,663.18</b>
<b>EXPENDITURE</b>			
Cost of Raw Materials and component consumed	3C	1,47,373.13	1,33,445.95
Changes in inventories of finished goods, work in progress and stock-in-trade	3D	(2,953.68)	(5.86)
Employee benefit expenses	3E	1,772.43	1,615.47
Finance costs	3F	1,588.09	1,525.12
Depreciation and amortisation expenses	2L	1,331.73	616.68
Other expenses	3G	9,786.38	9,024.39
		<b>1,58,898.07</b>	<b>1,46,221.75</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>6,935.92</b>	<b>2,441.44</b>
<b>PRIOR PERIOD ITEM (tax)</b>			43.02
<b>Profit before extraordinary items and tax</b>		<b>6,935.92</b>	<b>2,398.42</b>
<b>Extraordinary Items</b>			-
<b>PROFIT BEFORE TAX</b>		<b>6,935.92</b>	<b>2,398.42</b>
<b>TAX EXPENSE</b>			
Current tax		1,430.96	284.71
Tax for Earlier period		-	26.79
Deferred tax charge/(credit)		434.38	290.86
<b>Profit for the year</b>		<b>5,070.57</b>	<b>1,796.05</b>
<b>EARNINGS PER SHARE</b>			
Basic ( in Rs.)		<b>560.33</b>	<b>199.56</b>
Dilute ( in Rs.)		<b>560.33</b>	<b>199.56</b>

**The accompanying notes are an integral part of the financial statements.**

This is the Profit and Loss Account referred to in our report of even date.

**For SINGHI & CO.**

Chartered Accountants

ICAI FRN 302049E



Partner: JAY JAIN

M.No. 077508

Place: Bengaluru

Date: 28/09/21



**For and on behalf of the Board of Directors**



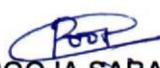
**SUNIL JALLAN**

Director

DIN: 02150846

Place: Bengaluru

  
**SANDEEP KUMAR**  
Director  
DIN: 02112630  
Place: Bengaluru

  
**POOJA SARA NAGARAJA**

Company Secretary

M.No. A 52496



## A-One Steel And Alloys Private Limited

CIN - U28999KA2012PTC063439

Address : A One House, No. 326, Ward No 08, CQAL Layout, Sahakarnagar, Bangalore KA 560092

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Year ended 31 March 2021 Rs in Lakhs	Year ended 31 March 2020 Rs in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) from continuing operations after tax	5,070.57	1,796.05
Adjustments for:		
Depreciation and amortisation	1,331.73	616.68
Provisions	225.85	282.15
Deferred tax	434.38	290.86
Provision for Income Tax	1,430.96	311.50
Finance Charges	1,588.09	1,525.12
<b>Operating profit from continuing operations before working capital changes</b>	<b>10,081.58</b>	<b>4,822.35</b>
<b>Changes in working capital:</b>		
Decrease or (Increase) in Trade Receivables	1,367.88	(10,236.41)
Decrease or (Increase) in Inventory	(6,786.81)	2,158.99
(Increase) / Decrease in Short term loans and advances	(1,306.31)	(2,024.19)
(Increase) / Decrease in Other current assets	51.35	(76.88)
Increase or (Decrease) in Trade Payables	(30.63)	6,448.95
Increase or (Decrease) in Other current Liabilities	1,246.39	(810.63)
Increase or (Decrease) in Short Term Borrowings	375.78	3,529.87
<b>Cash generated from continuing operations</b>	<b>4,999.24</b>	<b>3,812.05</b>
Taxes paid	(1,430.96)	(311.50)
<b>Net cash generated from continuing operations</b>	<b>3,568.27</b>	<b>3,500.55</b>
Net cash used in discontinuing operations	-	-
<b>Net cash generated from operating activities</b>	<b>A 3,568.27</b>	<b>3,500.55</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(988.82)	(2,929.51)
Sale of Fixed Assets	-	-
Investment in Shares/Securities	(1.18)	(4.31)
<b>Net cash used in continuing operations</b>	<b>(990.01)</b>	<b>(2,933.82)</b>
Net cash used in discontinuing operations	-	-
<b>Net cash used in investing activities</b>	<b>B (990.01)</b>	<b>(2,933.82)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term Borrowings	(123.44)	(455.01)
Proceeds from Issue of Share Capital (Including Share Premium)	4,162.00	279.00
Finance Charges	(1,588.09)	(1,490.53)
Other Long Term Liabilities	(2,206.67)	1,390.76
Long Term Loans and advances	(149.32)	211.20
<b>Net cash used in continuing operations</b>	<b>94.48</b>	<b>(64.59)</b>
Net cash used in discontinuing operations	-	-
<b>Net cash used in financing activities</b>	<b>C 94.48</b>	<b>(64.59)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>A+B+C 2,672.75</b>	<b>502.14</b>
Cash and cash equivalents at the beginning of the year	951.09	448.95
<b>Cash and cash equivalents at the end of the year</b>	<b>3,623.84</b>	<b>951.09</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balance	3,623.84	951.09
<b>Cash and cash equivalents at the end of the year</b>	<b>3,623.84</b>	<b>951.09</b>

This is the Cash Flow Statement referred to in our report of even date.

For SINGHI & CO.  
Chartered Accountants  
ICAI FRNG 088705

  
Partner  
M.No. 077508  
Place: Bengaluru  
Date: 28/09/21



For and on behalf of the Board of Directors



SUNIL JALLAN

Director  
DIN: 02150846  
Place: Bengaluru



SANDEEP KUMAR

Director  
DIN: 02112630  
Place: Bengaluru

  
POOJA SARA NAGARAJA  
Company Secretary

MNo: A52496



Particulars	As at	As at
	31 March 2021	31 March 2020
	Rs in Lakhs	Rs in Lakhs
<b>NOTE 2A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
Equity shares:	1,500.00	1,000.00
15,00,000 Equity shares of Rs 100 each (P.Y. 10,00,000 Equity Shares of Rs.100 each)		
	<u>1,500.00</u>	<u>1,000.00</u>
<b>Issued , subscribed and paid up :</b>		
Equity shares	1,300.00	900.00
13,00,000 Equity Shares of Rs.100 each (PY 9,00,000 Equity Shares of Rs.100 each)		
	<u>1,300.00</u>	<u>900.00</u>
<b>Terms/rights attached to equity shares</b>		
i) The company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to number of equity shares held by the shareholders.		
ii) No shares were reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts.		
iii) The Company has authorised Share Capital of Rs. 15,00,00,000 divided into 15,00,000 equity shares of Rs.100 each. During the year the Company has increased authorised share capital from 10,00,00,000 to 15,00,00,000 by creating new class of shares amounting to Rs 5,00,00,000 dividend into 5,00,000 Non Cumulative redeemable Preference shares of Rs 100 each which is reclassified into 5,00,000 Equity Shares of Rs. 100 each.		
iv) There was no Shares issued for Non-Cash Consideration.		
<b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>		
Equity shares:		
Beginning of the year ( 9,00,000 Equity shares of Rs 100 Each )	9.00	9.00
Issued during the years. ((4,00,000 Equity Shares of Rs 100 Each)	4.00	
	<u>13.00</u>	<u>9.00</u>
<b>List of Equity shareholders holding Equity shares more than 5% of subscribed share capital</b>		
	In Nos	In Nos
<b>Mona Jallan</b>	1,77,600	1,77,600
(Percentage of Holding)	13.66%	19.73%
<b>Krishan Kumar Jallan</b>	3,79,770	3,36,670
(Percentage of Holding)	29.21%	37.41%
<b>KRISHAN KUMAR JALLAN (As Karta of HUF)</b>	-	43,100
(Percentage of holding)	-	4.79%
<b>Sandeep Kumar</b>	3,00,250	1,00,250
(Percentage of Holding)	23.10%	11.14%
<b>Sunil Jallan</b>	4,42,380	2,42,380
(Percentage of Holding)	34.03%	26.93%
<b>NOTE 2</b>		
<b>MINORITY INTEREST</b>		
Beginning of the Year	279.00	0.00
For the year	1,410.00	279.00
Closing of the year	<u>1,689.00</u>	<u>279.00</u>



Particulars	As at	As at
	31 March 2021	31 March 2020
	Rs in Lakhs	Rs in Lakhs
<b>NOTE 2C</b>		
<b>RESERVES AND SURPLUS</b>		
<b>a) Surplus in Profit and Loss Account/ Debit balance in Profit &amp; loss account</b>		
Beginning of the Year	5,433.20	3,637.15
Profit(Loss) for the year	5,070.57	1,796.05
Closing of the year	<u>10,503.77</u>	<u>5,433.20</u>
<b>b) Securities Premium Account</b>		
Beginning of the year	-	-
For the year	2,352.00	-
Closing of the year	<u>2,352.00</u>	-
	<u>12,855.77</u>	<u>5,433.20</u>
<b>NOTE 2D</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured Term Loans- From Banks</b>		
Term Loan for Car	43.12	48.39
Term Loan for Plant & Machinery	8,250.65	5,366.12
Less:- Current Maturities of Long term debt	(16.74)	(16.67)
Term Loan for Car	(1,271.92)	(1,314.45)
Term Loan for Plant & Machinery	<u>7,005.11</u>	<u>4,083.39</u>
	<u>7,005.11</u>	<u>4,083.39</u>
<b>Secured Term Loans - From Others</b>		
Toyota Fianancial Services	-	2.01
1. Terms Loans for plant and Machinery are secured against hypothecation of Immovable Assets, Plant & Machinery ,Movable Fixed Assets of the Company and personal guarantee of Directors.		
2. Term loan for Car are secured against hypothecation of respective Vehicles.		
3. Refer Note 2I for Current Maturities of Long Term Debt		
4. Refer Note 14 of the consolidated financial statements for terms of repayment of secured non current liabilities.		
<b>Un-Secured Loans*</b>		
From Related Parties	1,991.44	3,085.31
* The loans are Interest free and are repayable on demand. However director have given declaration for not demanding the repayment of Loans in near future.		
<b>Others (Inter Corporate Loan)</b>		
Others (Inter Corporate Loan)	300.00	2,249.29
	<u>9,296.55</u>	<u>9,419.99</u>
<b>NOTE 2E</b>		
<b>DEFERRED TAX LIABILITY/ (ASSET), NET</b>		
DEFERRED TAX LIABILITY	697.46	263.08
	<u>697.46</u>	<u>263.08</u>
<b>NOTE 2F</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
a) Others	99.15	2,305.81
	<u>99.15</u>	<u>2,305.81</u>
<b>NOTE 2G</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	118.51	88.93
Provision for Compensated Absences	7.59	6.67
	<u>126.10</u>	<u>95.60</u>



Particulars	As at 31 March 2021 Rs in Lakhs	As at 31 March 2020 Rs in Lakhs
<b>Note 2H</b>		
<b>Short Term Borrowings</b>		
Bank Cash Credit*	9,266.47	8,890.69
(*Secured against Hypothecated of current assets and collateral security of Immovable Property of the Company and directors and personal guarantee of Directors.)		
<b>TOTAL</b>	<b>9,266.47</b>	<b>8,890.69</b>
<b>NOTE 2I</b>		
<b>TRADE PAYABLES</b>		
MSME Trade Payables	606.21	61.88
Other Trade Payables	13,127.91	13,702.87
<b>TOTAL</b>	<b>13,734.12</b>	<b>13,764.75</b>
(* Refer Note 12 of Notes to Consolidated financial statements)		
<b>NOTE 2J</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long term debt *	1,288.66	1,331.12
Salary & Wages Payable	124.60	90.16
Advance from Customers	3,530.76	3,396.68
Balance due to government authorities	1,129.52	179.63
Payable for Capital Goods	60.63	57.56
Lease Equalisation Reserve	66.79	57.30
Expenses Payable	394.67	294.54
Interest Payable	85.51	34.58
Audit Fees Payable	8.50	4.98
Interest on TL Payable	3.32	-
<b>TOTAL</b>	<b>6,692.96</b>	<b>5,446.57</b>
<b>NOTE 2K</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Income Tax	474.75	284.71
Provision for Gratuity Benefit	0.56	0.28
Provision for Compensated Absences	0.20	0.15
Provision for Bonus	23.81	18.84
<b>TOTAL</b>	<b>499.32</b>	<b>303.97</b>



Particluars	As at 31 March 2021 Rs in Lakhs	As at 31 March 2020 Rs in Lakhs
<b>NOTE 2M</b>		
<b>NON - CURRENT INVESTMENTS</b>		
Unquoted Investments		
Shares at Vyshali Energy Private Limited ( 47,926 (P.Y 43.026) Equity Shares Face value Rs 10, fully paid up )	4.79	4.30
Shares in Atria Wind Power Private Limited (20,635 Equity Shares @ Rs 100 face value, Premium Rs 121.48, fully paid up ) (PY 20,322 Equity Shares @ Rs 100 face value, Premium Rs 121.48, fully paid up)	45.70	45.01
	<b>50.50</b>	<b>49.31</b>
<b>NOTE 2N</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
Security Deposit	369.13	219.91
Sales Tax Deposit	0.10	-
	<b>369.23</b>	<b>219.91</b>
<b>NOTE 2O</b>		
<b>INVENTORIES</b>		
<b>Raw Materials</b>		
-Scrap	2,303.55	842.56
-Coal	217.95	602.31
-Iron Ore Pellets	63.83	840.01
-Iron Ore Lumps/Fines	1,633.47	-
- Dolomite	6.94	-
- Others	2,082.35	699.79
<b>Finished goods</b>		
- Pipe	1,910.67	2,328.94
- TMT	524.15	560.72
- Coil Sheet	1,064.50	284.40
- Sponge Iron & Others	3,074.59	720.98
- Billet	1,382.04	1,191.93
<b>Stock-in-trade</b>		
- Coal	699.98	605.20
-Scrap	192.66	-
<b>Stores &amp; Spares</b>	1,682.81	1,375.86
<b>TOTAL</b>	<b>16,839.50</b>	<b>10,052.69</b>
<b>NOTE 2P</b>		
<b>TRADE RECEIVABLES</b>		
Outstanding more than 6 months		
Doubtful	228.50	279.07
Less:- Provision for Bad and Doubtful Debts	(30.97)	(27.91)
Net Doubtful	197.53	251.16
Others		
Unsecured, considered good	16,038.06	17,352.31
<b>TOTAL</b>	<b>16,235.59</b>	<b>17,603.47</b>



Particulars	As at 31 March 2021 Rs in Lakhs	As at 31 March 2020 Rs in Lakhs
<b>NOTE 2Q</b>		
<b>Cash and Cash Equivalents</b>		
Balance with scheduled bank	-	
(i) In current accounts	2,548.04	25.91
(ii) Fixed Deposits	1,047.11	907.30
Cash in hand	28.69	17.88
<b>TOTAL</b>	<b>3,623.84</b>	<b>951.09</b>
<b>NOTE 2R</b>		
<b>Short Term Loans &amp; Advances</b>		
Balance with Statutory Authorities	823.28	915.27
Prepaid Expenses	188.85	45.64
Advances to suppliers	2,572.19	2,282.12
Advances for Capital Goods	1,197.37	295.88
EMD (Monitoring Committee)	191.67	137.92
Advance to Employees	27.61	17.83
<b>TOTAL</b>	<b>5,000.98</b>	<b>3,694.67</b>
<b>NOTE 2S</b>		
<b>Other Current Assets</b>		
Processing Fees Recoverable	-	47.43
Interest Receivable	79.59	83.50
MEIS Receivables	0.55	0.55
<b>TOTAL</b>	<b>80.14</b>	<b>131.48</b>



	Year ended 31 March 2021 Rs in Lakhs	Year ended 31 March 2020 Rs in Lakhs
<b>NOTE 3A</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products	1,65,620.64	1,48,269.47
Sale of Services (Job Work)	-	124.51
<b>TOTAL</b>	<b>1,65,620.64</b>	<b>1,48,393.98</b>
<b>NOTE 3B</b>		
<b>OTHER INCOME</b>		
Interest Income	68.55	58.07
Misc Income	25.17	92.68
Export Incentive	38.10	-
Job Work Income	66.20	-
Rental Income	6.09	-
Foreign Exchange (Gain or Loss)	9.24	10.80
Insurance Claimed Received	-	11.87
Liabilities Written Back	-	95.78
<b>TOTAL</b>	<b>213.35</b>	<b>269.20</b>
<b>NOTE 3C</b>		
<b>COST OF RAW MATERIALS AND COMPONENT CONSUMED</b>		
Inventory at the beginning of the year	4,795.18	6,960.04
Add: Purchases (net of returns and volume discounts)		
-Sponge	25,466.16	33,981.99
-Scrap	34,397.73	24,885.19
- Others	78,842.58	63,062.15
Less: Inventory at the end of the year	(8,628.31)	(4,795.18)
Freight & Transportation & Discount	6,503.32	4,361.90
Rate Difference	15.41	-
Import Expenses/High Sea Purchase Expenses	1,440.48	2,475.03
Storage Charges	193.47	-
Custom Duty/ Import Duty	259.33	781.90
Handling Charges	1,214.22	353.02
Royalty, Permit & Others Expenses	1,572.19	715.44
Loading/Unloading Expenses	111.14	98.93
Compensation Cess	1,190.23	565.54
<b>TOTAL</b>	<b>1,47,373.13</b>	<b>1,33,445.95</b>
<b>NOTE 3D</b>		
<b>Changes in Inventory of Finished Goods</b>		
(Increase)/Decrease in Finished Goods Stock		
Closing stock of Finished Goods	8,211.20	5,257.52
Opening stock of Finished Goods	5,257.52	5,251.66
	<b>(2,953.68)</b>	<b>(5.86)</b>
<b>NOTE 3E</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	1,647.24	1,473.42
Staff Welfare Expenses	43.39	16.31
Contribution to provident and other funds	33.45	40.70
Compensated Absences	1.38	-
Gratuity Expenses	29.86	65.68
Bonus	17.12	19.36
<b>TOTAL</b>	<b>1,772.43</b>	<b>1,615.47</b>



	Year ended 31 March 2021 Rs in Lakhs	Year ended 31 March 2020 Rs in Lakhs
<b>NOTE 3F</b>		
<b>FINANCE COSTS</b>		
Interest expenses	1,475.51	1,476.36
Other borrowing costs	112.58	48.75
<b>TOTAL</b>	<b>1,588.09</b>	<b>1,525.12</b>
<b>NOTE 3G</b>		
<b>OTHER EXPENSES</b>		
Advertisement Expenses	341.99	334.92
Audit fees	2.77	7.63
Bad Debts	45.58	27.91
Boarding and loading expenses	-	9.55
Business Promotion	15.40	23.55
Commission on Sales	112.71	118.32
CSR Expenditure	54.80	35.01
Power, Fuel and Diesel	6,947.81	6,583.89
Export Expenses	38.52	32.19
Hire Charges	134.52	134.42
Insurance	46.94	37.15
Interest on Delayed Payment	98.60	9.79
Licence Renewal & Filling Fees	-	9.48
Material Shortage	18.25	24.57
Other expenses	346.20	226.57
Packing, Forwarding	4.02	11.87
Professional Fees	120.75	137.64
Provision for Bad Debt	5.69	-
Rates & Taxes	81.54	97.72
Rent Expenses	1,004.13	1,010.56
Repair & Maintenance Expenses	216.74	-
Security charges	99.80	87.05
Travelling expenses	11.85	27.66
Village Welfare Expenses	37.77	36.95
<b>TOTAL</b>	<b>9,786.38</b>	<b>9,024.39</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1) Background

A-ONE STEEL AND ALLOYS PRIVATE LIMITED ( The Company ) was incorporated on 9 April 2012 with its registered office in Bangalore, India. The holding company is manufacturer of heat & cold treatment of iron ,steels etc . The holding company also undertakes machining and job works for its customers.

VANYA STEELS PRIVATE LIMITED was incorporated on 20 June 2005 with its registered office in Bangalore, India. The subsidiary is a manufacturer of heat & cold treatment of iron, steels etc and also undertakes machining and job works for its customers.

A-One Gold Steels India Private Limited was incorporated on 26-08-2020 with its registered office in Bangalore, India. The Company is a Trader of Iron & Steel .

A One Gold Pipes and Tubes Pvt Ltd was incorporated on 16-10-2020 with its registered office in Bangalore, India. The Company is a manufacturer and Trader of Pipes,Iron & Steel including Ingots.

### 2) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to A-ONE STEEL AND ALLOYS PRIVATE LIMITED ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

### 3) (a) Basis of preparation of Consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') notified under relevant provisions of the Companies Act, 2013.

### (b) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the Property Plant and Equipment, provisions for bad and doubtful debts, recognition of deferred tax asset, provision for employee benefits and provision for income taxes.

### 4) Significant accounting policies

#### i. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### **Rendering of services**

Job work and development income is recognised as and when the related service is rendered.

#### **Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividend**

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

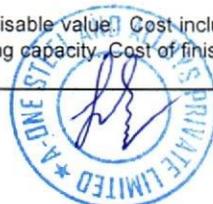
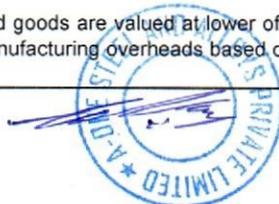
#### **Duty incentives**

Export entitlements under Duty Entitlement Pass Book Scheme ('DEPB') is recognised as income when the right to receive credit as per the terms of the Scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### ii. Inventories

Raw materials including components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-Progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes GST compensation Cess.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

### iii. Property Plant and Equipment

Property Plant and Equipment are stated at cost or revalued amounts, as the case may be, less accumulated depreciation/ amortisation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of refundable taxes.

Borrowing costs directly attributable to acquisition of those Property Plant and Equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Advances paid towards the acquisition of Property Plant and Equipment outstanding at each Balance Sheet date and the cost of Property Plant and Equipment not ready for their intended use before such date are disclosed as capital work-in-progress.

### iv. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### v. Depreciation / amortisation

Depreciation on Property Plant and Equipment provided on Straight Line Method as per Schedule II of the Companies Act 2013.

Assets	Useful Life
Computers [NESD]	3 Years
Furniture & Fixtures [NESD]	10 Years
Motor Car [NESD]	8 Years
Motor Vehicles [NESD]	10 Years
Shed & Buildings [NESD]	30 and 60 Years
Plant and Equipment	15 and 25 Years
Technical know How [NESD]	20 Years
Office Equipments [NESD]	5 Years

### vi. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

### vii. Foreign currency transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

Non-monetary items denominated in foreign currency:

- which are carried in terms of historical costs are reported using the exchange rate at the date of transaction.
- which are carried at fair value or other similar valuation are reported using the exchange rate that existed when the values are determined.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

### viii. Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

#### **Derivative instruments**

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments such as forward contracts, where the counterparty is a bank.

The accounting policies for forwards contracts are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract as an effective cash flow hedge, the Company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility, etc.

#### **Non-Derivative financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Company mainly include cash and bank balances, sundry debtors, other loans and advances and derivative financial instruments with a positive fair value. Financial liabilities of the Company mainly comprise secured and unsecured loans, sundry creditors, accrued expenses and derivative financial instruments with a negative fair value. Financial assets / liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets.

The Company measures the financial assets and liabilities, except for derivative financial assets and liabilities at amortised cost using the effective interest method. The Company measures the short-term payables and receivables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial. Non-interest bearing deposits are discounted to their present value.

### ix. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating lease. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis.

### x. Earnings per share

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

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)**

**xi. Retirement benefits**

***Provident fund***

Contributions payable to the Recognised Provident Fund, which is a defined contribution scheme, is recognised as an expense in the period in which services are rendered by the employee.

***Gratuity***

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Profit and Loss Account in the year in which such gains or losses arises.

***Compensated absences***

Liability in respect of leave becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation by an independent actuary using the projected unit credit method.

***Other short term benefits***

Expense in respect of other short term benefits is recognised in the Profit and Loss Account on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**xii. Taxes on income**

***Current tax***

Provision is made for income tax under the tax payable method, based on the liability computed, after taking credit for allowances and exemptions.

***Minimum Alternative Tax.***

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay income taxes at the enacted rates. MAT credit entitlement can be carried forward and utilised for fifteen years from the year in which the same is availed.

***Deferred tax***

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, in case of unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

xiii Provisions and contingent liabilities

The Company creates a provision when there is a 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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

xiv Borrowing costs

Borrowing cost directly attributable to the acquisition, construction or productions qualifying assets are capitalised as part of assets. Other borrowings cost are recognised as an expense in the period in which they are incurred.

5) Employees Benefit Expenses

a) Defined Contribution Plan

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis

Amount recognised in the Statement of Profit and Loss	As at 31st March 2021	As at 31st March 2020
i) Contribution to Provident Fund	23.45	27.26
ii) Contribution to Employee State Insurance	9.86	10.82

b) Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under AS 15. Reconciliation of the opening and closing balances of the present value of the defined benefit obligation and plan assets:

Particulars	As at 31st March	
	2021	2020
Obligation at year beginning	89.21	23.53
Current Service cost	44.86	45.01
Interest Cost	6.11	1.82
Past service cost - ( vested benefits)	-	-
Actuarial loss/(gain)	(21.10)	18.85
Benefits paid	-	-
Amendment in benefit paid	-	-
Obligation at the end	<u>119.07</u>	<u>89.21</u>

Defined benefit obligation liability as at the Balance Sheet date is fully funded by the company

Change in plan assets	-	-	-
Plan assets at year beginning, at fair value	-	-	-
Expected return on plan assets	-	-	-
Actuarial gain/(loss)	-	-	-
Contributions	-	-	-
Benefits paid	-	-	-
Fair value of plan assets as at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of present value of the obligation and the fair value of plan assets:

Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	119.07	89.21
Asset recognized in the balance sheet	-	-
Liability recognized in the balance sheet	119.07	89.21
Expenses recognized in the statement of P & L	29.86	65.68

Assumptions

Discount Rate	6.85%	6.85%
Salary escalation rate	10% for first 3 years & 7% thereafter	10% for first 3 years & 7.50% thereafter

Attrition rate  
Expected rate of return on Plan Assets



5) Related party transactions

i Parties where control exists

- a) Mr. Sandeep Kumar  
b) Mr. Sunil Jallan  
c) Mr. Manoj Kumar  
d) Mr. Krishna Kumar Jallan  
e) Pooja Sara Nagaraja

Nature of relationship  
Director  
Director  
Director  
Person having substantial Interest  
Company Secretary

ii Name and relationship of related parties where transaction has taken place

- Director**  
a) Mr. Sandeep Kumar  
b) Mr. Sunil Jallan  
c) Mr. Manoj Kumar
- Subsidiary**  
Vanya Steels Private Limited  
A-One Gold Pipes And Tubes Private Limited  
A-One Gold Steels India Private Limited
- Entities controlled by Director**  
a) M/s. A One Steels India Private Limited  
b) M/s. Aaryan Hitech Steels India Private Limited
- Relatives of Director**  
Mona Jallan  
Krishan kumar Jallan  
Priya Jallan

iii Transactions with related parties during the period/ year are summarised below:

Nature of transactions	Relation	Year ended	Year ended
		31 March 2021	31 March 2020
		Rs.	Rs.
<b>Loan repaid by the Company</b>			
Mr. Sandeep Kumar	Director	1,571.03	632.94
Ambe Metals	Entities controlled by Director	267.75	253.00
Mr. Sunil Jallan	Director	1,583.21	134.57
		<b>3,421.98</b>	<b>1,020.51</b>
<b>Loan received by the Company</b>			
Mr. Sandeep Kumar	Director	1,489.15	391.00
Mr. Sunil Jallan	Director	571.22	20.00
		<b>2,060.37</b>	<b>411.00</b>
<b>Purchase of Goods</b>			
A One Steels India Private Limited	Entities controlled by Director	9,413.00	4,802.02
		<b>9,413.00</b>	<b>4,802.02</b>
<b>Sale of Goods</b>			
A One Steels India Private Limited	Entities controlled by Director	10,402.38	6,391.54
Sandeep Kumar	Director	-	15.50
		<b>10,402.38</b>	<b>6,407.04</b>
<b>Payment of Lease Rental</b>			
Aaryan Hitech Steels India Private Limited	Entities controlled by Director	450.00	450.00
		<b>450.00</b>	<b>450.00</b>
<b>Remuneration</b>			
Sunil Jallan	Director	60.00	60.00
		<b>60.00</b>	<b>60.00</b>
<b>Corporate Guarantee Taken</b>			
A-One Steels India Private Limited	Entities controlled by Director	5,000.00	-
		<b>5,000.00</b>	<b>-</b>
<b>Corporate Guarantee Given</b>			
A-One Steels India Private Limited	Entities controlled by Director	2,873.90	-
		<b>2,873.90</b>	<b>-</b>

Balances receivable/ (payable) from and to the related parties are as follows:

Mr. Sandeep Kumar	(1,041.66)	(1,123.54)
Mr. Sunil Jallan	(949.78)	(1,961.77)
A One Steels India Private Limited	(631.70)	(1,820.30)
Ambe Metals	-	(267.75)
Aaryan Hitech Steels India Private Limited	(6.14)	225.29
	<b>(2,629.29)</b>	<b>(4,948.07)</b>



6) Auditors' remuneration \*

for Statutory audit, taxation Matters, and Other Services

	Year ended 31 March 2021 Rs.	Year ended 31 March 2020 Rs.
	8.50	6.00
	<u>8.50</u>	<u>6.00</u>

\* Excluding Goods and Service Tax

7) Operating Lease

The Company have significant operating lease arrangement for premises. This lease arrangement has lease period of 9 Years. The lease is renewable for further period of 3 Years after the end of 9 Years subject to the term of this lease on mutually agreeable and also includes escalation Clause.

Particulars	Within 1 Year	Between 1 and 5 Years	Beyond 5 Years
Minimum Lease payments	514.18	2,149.98	140.38

8) Enterprises consolidated as subsidiary in accordance with Accounting Standard 21-Consolidated Financial Statements:

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
<b>Direct Subsidiaries</b>		
Vanya Steels Private Limited	INDIA	100%
A-One Gold Pipes And Tubes Private Limited	INDIA	100%
A-One Gold Steels India Private Limited	INDIA	100%

9) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise	Net Assets i.e Total Assets minus Total liabilities		Share in profit and loss	
	As % of Consolidated Net assets	Amount in Rs.	As % of Consolidated Profit or loss	Amount in Rs.
<b>Parent</b>				
A-ONE STEEL AND ALLOYS PRIVATE LIMITED	69.06	11,536.86	77.66	3,937.84
<b>Direct Subsidiaries</b>				
A-One Gold Pipes And Tubes Private Limited	5.88	982.78	(0.24)	(12.22)
A-One Gold Steels India Private Limited	(0.01)	(1.20)	(0.12)	(6.20)
Vanya Steels Private Limited	25.06	4,186	22.70	1,151.16

10) SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY AS PER COMPANIES ACT , 2013

Subsidiaries:

Name of Subsidiary Company	Reporting Currency for Consolidation	Share Capital ( In Value )	Reserves & Surplus	Total Assets	Total Liabilities
Vanya Steels Private Limited	INR	2,215.02	1,971.32	10,734.56	6,548.22

Name of Subsidiary Company	Reporting Currency for Consolidation	Total Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	% of Share holding
Vanya Steels Private Limited	INR	31,801.71	1,551.34	400.19	1,151.15	100%

Name of Subsidiary Company	Reporting Currency for Consolidation	Share Capital ( In Value )	Reserves & Surplus	Total Assets	Total Liabilities
A-One Gold Pipes And Tubes Private Limited	INR	995.00	(12.22)	1,025.48	42.70

Name of Subsidiary Company	Reporting Currency for Consolidation	Total Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	% of Share holding
A-One Gold Pipes And Tubes Private Limited	INR	-	(12.22)	-	(12.22)	100%



Name of Subsidiary Company	Reporting Currency for Consolidation	Share Capital ( In Value )	Reserves & Surplus	Total Assets	Total Liabilities
A-One Gold Steels India Private Limited	INR	5.00	(6.20)	5.08	6.28

Name of Subsidiary Company	Reporting Currency for Consolidation	Total Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	% of Share holding
A-One Gold Steels India Private Limited	INR	-	(6.20)	-	(6.20)	100%

11) Previous year comparatives

The Consolidated financial statements for the year ended 31 March 2021 had been prepared as per the the applicable schedule III to the Companies Act, 2013 & the consolidated financial statements for the year ended 31 March 2020 are also been prepared as per Schedule II. However, Previous year's amounts have been regrouped/ reclassified wherever considered necessary to conform to those of the current year.

12) Disclosure under MSMED Act,2006.

The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	606.21	61.88
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-

13) Contingent Liabilities and Commitments

a) Litigations

Name of the Party	Type of Legal Case	As at March 31, 2021	As at March 31, 2020
Indusind Bank Ltd *	Refer * point below	-	47.43
Office of the Commissioner of Central Tax (GST)	Refer ** point below	-	429.14

b) Capital Commitments

	As at March 31, 2021	As at March 31, 2020
- Estimated value of Contracts in capital account remaining to be executed	-	125.40

c) Guarantees

Name of the Party	Nature of Commitments	As at March 31, 2021	As at March 31, 2020
Karnataka Renewal Energy Development Limited	Bank Guarantee	95.00	95.00
A-One Steels India Private Limited	Corporate Guarantee	2,873.90	-

14) Terms of Repayment - Secured Non Current Liabilities

Details of Loan	Repayment Period ( In months )	Installments yet to be due as on 31/03/2021	Amount Payable as on 31/03/2021	Interest Rates
HDFC Bank Term Loan 82897672	64	25	473.51	7.55%
HDFC Bank Term Loan 83130198	64	29	881.12	7.85%
HDFC Bank Term Loan 83867083	86	65	2,168.96	8.15%
HDFC Bank Term Loan 9617609	60	59	2,470.00	7.50%
HDFC Car Loan 54639092	60	23	8.94	8.50%
HDFC Car Loan 59269097	60	29	9.88	9.25%
Axis Bank Car Loan	60	16	3.09	9.01%
HDFC Car Loan 68928829	60	39	7.02	9.50%
AXIS BANK LTD TERM LOAN	69	48	1,161.50	10.05 % to 8.40 %
AXIS BANK LTD TERM LOAN	36	36	471.00	8.40%
Axis Bank New Term Loan Acc	60	60	625.82	8.00%
HDFC Car Loan Account-62013985	60	32	6.06	8.50%
HDFC Car Loan Maruti-ertiga Smart	84	77	8.12	8.25%



15) Details of foreign exchange transactions :-		
	Year ended 31-03-2021 Rs.	Year ended 31 March 2020 Rs.
<b>Earnings in foreign currency</b>		
Export of Goods (on F.O.B basis)	2,985.27	111.67
Import of Goods (on C.I.F basis)	1,019.99	6,960.71
* ( foreign exchange earning represents the amount invoiced. It does not include the amount not invoiced but recognised as income as per		
<b>16) Earnings per Share - Basic</b>		
	March 31, 2021	March 31, 2020
Net Profit after Tax for the year	5,070.57	1,796.05
Less: Dividend on CCCPS	-	-
Adjusted Net Profit for the Year (A)	5,071	1,796
Weighted Average number of Equity Shares outstanding during the year (B)	9,04,932	9,00,000
Nominal Value per Equity Shares	100	100
<b>Earnings per Share - Basic (A/B)</b>	<b>560.33</b>	<b>199.56</b>
Note - There is no dilution to the Earnings per share as there are no dilutive potential equity shares		

17) The outbreak of Coronavirus (COVID-19) globally and in India has impacted business and economic activities in general. The spread of COVID-19 along with nationwide lockdown starting from 25th March 2020, has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which have forced the business to restrict or close the operation in short term. The company has assessed internal and external information up to the date of approval of the financial statements while reviewing the recoverability of assets & financial resources, performance of contractual liability and obligation, ability to service the debt and liabilities. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts and obligations. The company is positive on the long term business outlook as well as its financial position. However, it will continue to closely monitor any material changes to future economic conditions as the COVID-19 situation continues to evolve in India and globally.

18) The Prior Period Item of Rs 43,02,292 is for FY 2019-20 is related to Lease Equalisation Reserve as per AS-19 out of which Rs 14,34,097 belongs to F.Y 2017-18 and Rs 28,68,195 belongs to F.Y 2018-19.

19)

**SEGMENT INFORMATION**

The company's operating segments are established on the basis of those components that are evaluated regularly by the Company, in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the deferring risks and returns and internal business reporting systems.

The company has two principal operating segments; viz. , 1. Trading, and 2. Manufacturing.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

i. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

ii. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

ii. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**SEGMENT INFORMATION FOR THE YEAR ENDED AS AT 31 MARCH 2021**

**Primary Segment Reporting**

Particulars	Year Ended 31 March'21				Total
	Coal	Sponge Iron	Others	Manufacturing	
<b>1. Segment Revenue</b>					
Revenue from Operations	24,790.36	10,829.49	17,462.96	1,12,537.83	1,65,620.64
<b>Total Sales/Income from Operations</b>	<b>24,790.36</b>	<b>10,829.49</b>	<b>17,462.96</b>	<b>1,12,537.83</b>	<b>1,65,620.64</b>
<b>2. Segment Result before Interest, Depreciation and Taxes</b>					
	(464.57)	250.97	423.74	11,288.26	11,498.40
Less :Unallocable Expenses					
- Finance Cost					1,588.09
- Depreciation					1,331.73
- Other Unallocable Expenses					1,856.03
Add : Other Income					213.35
<b>Profit Before Tax</b>	<b>(464.57)</b>	<b>250.97</b>	<b>423.74</b>	<b>11,288.26</b>	<b>6,935.92</b>
<b>Taxes</b>					
- Current tax					(1,430.96)
- Deferred tax					(434.38)
<b>Profit After Tax</b>					<b>5,070.57</b>
<b>3. Other Information</b>					
Segment Assets	5,547.53	1,607.05	2,569.43	45,535.03	55,259.05
Segment Liabilities	2,712.32	907.20	1,683.14	15,519.51	20,822.17



Secondary Segment Reporting

Segment Revenue	External Revenue				
(a) Within India					1,62,635.36
(b) Outside India					2,985.27
<b>Total</b>					<b>1,65,620.64</b>

- 20) The Company has spent excess CSR as provided under sub-section (5) of section 135, to the tune of Rs 12,77,584. Such excess amount will be set off up to immediate succeeding three financial years.
- 21) The balance under sundry creditors, sundry debtors, advance from customers, and other advances are subject to confirmation.

For SINGHI & CO.  
Chartered Accountants  
ICAI FRN.302049E

Partner: VIJAY JAIN  
M.No.077508  
Place: Bengaluru  
Date: 28/09/2021



For and on behalf of the Board of Directors

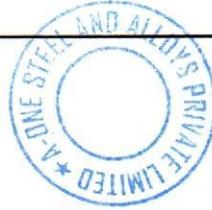


SUNIL JALLAN  
Director  
DIN: 02150846  
Place: Bengaluru

SANDEEP KUMAR  
Director  
DIN: 02112830  
Place: Bengaluru



POOJA SARA NAGARAJA  
Company Secretary  
Place: Bengaluru  
M.No: AS2496



NOTE : 2L

## PROPERTY PLANT &amp; EQUIPMENTS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-04-2020	Additions/ Adjustments During the Year	Deductions During the Year	As at 31-03-2021	Upto 01-04-2020	For the Year	Deductions During the Year	Upto 31-03-2021	As at 31-03-2020	As at 31-03-2021
<b>Tangible Assets</b>										
Land (Freehold)	1,478.24	60.22	-	1,538.46	-	-	-	-	1,478.24	1,538.46
Buildings	1,238.12	53.81	-	1,291.93	171.09	37.60	-	208.69	1,067.03	1,083.24
Plant & Machinery	13,456.33	158.44	-	13,614.77	1,975.02	1,226.20	-	3,201.22	11,481.31	10,413.55
Furniture and Fixtures	26.20	65.82	-	92.02	7.43	4.37	-	11.80	18.77	80.22
Vehicles	184.77	46.88	-	231.66	76.50	19.85	-	96.35	108.27	135.30
Office equipment	47.13	18.79	-	65.92	23.57	7.97	-	31.54	23.57	34.38
D.G Set	83.22	-	-	83.22	53.82	3.97	-	57.79	29.40	25.43
Caterpillar-424	20.12	-	-	20.12	17.01	1.28	-	18.29	3.11	1.84
Loader Z 2021	26.71	-	-	26.71	20.72	1.70	-	22.42	5.98	4.29
Computer	34.61	30.32	-	64.93	18.49	10.40	-	28.89	16.12	36.04
Electrical Installation	190.80	26.62	-	217.42	109.50	17.72	-	127.22	81.30	90.19
Intangible Assets	10.59	-	-	10.59	10.59	-	-	10.59	-	-
Mobile Phone	1.60	1.01	-	2.61	0.48	0.67	-	1.15	1.12	1.46
<b>TOTAL</b>	<b>16,798.44</b>	<b>461.92</b>	<b>-</b>	<b>17,260.36</b>	<b>2,484.22</b>	<b>1,331.73</b>	<b>-</b>	<b>3,815.95</b>	<b>14,314.22</b>	<b>13,444.40</b>
<b>Capital WIP</b>										
Budling-Rolling Mill	59.93	161.67	-	59.93	-	-	-	-	59.93	59.93
Project- Kin-II	-	15.00	-	161.67	-	-	-	-	-	161.67
Solar Project	19.72	6.08	-	34.72	-	-	-	-	19.72	34.72
CWIP - LRF	6.08	-	-	6.08	-	-	-	-	6.08	6.08
Flying Shear Machine	-	10.50	-	10.50	-	-	-	-	-	10.50
Hydraulic Continuous Shearing Machine	-	71.00	-	71.00	-	-	-	-	-	71.00
Mill Stand Combined Base Plate -280mm	-	2.00	-	2.00	-	-	-	-	-	2.00
Building WIP	-	2.08	-	2.08	-	-	-	-	-	2.08
P & M WIP	-	19.26	-	19.26	-	-	-	-	-	19.26
Plant & Machinery - CWIP	-	245.40	-	245.40	-	-	-	-	-	245.40
<b>TOTAL</b>	<b>85.73</b>	<b>526.91</b>	<b>-</b>	<b>612.64</b>	<b>2,484.22</b>	<b>1,331.73</b>	<b>-</b>	<b>3,815.95</b>	<b>85.73</b>	<b>612.64</b>
<b>GRAND TOTAL</b>	<b>16,884.17</b>	<b>988.82</b>	<b>0</b>	<b>17,873.00</b>	<b>2,484.22</b>	<b>1,331.73</b>	<b>0</b>	<b>3,815.95</b>	<b>14,399.95</b>	<b>14,057.04</b>

