

**Consolidated Financial
Statements and Auditors'
Report**

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

31 March 2022

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
A-ONE STEEL AND ALLOYS PRIVATE LIMITED
BANGALORE

Report on the Audit of the 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 "the holding company") along with its subsidiaries (together referred to as "the group"), which comprises the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the group as at 31st March 2022 and their consolidated profits including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

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. 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 ethical 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 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.

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

The Holding 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 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 are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group 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 Group 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 consolidated 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, respective Board of Directors of the companies included in the Group are 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 they either intend 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 are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the 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 the standards on auditing 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 the standards on auditing, 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. 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.

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 consolidated 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 consolidated 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.

Other Matter

- (i) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of Rs. 29,955.28 Lakhs as on 31st March 2022, total revenues of Rs. 55,477.88 Lakhs, net profits after tax of Rs. 2,023.75 Lakhs and net cash outflows of Rs. 106.94 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by



other auditors, which have been furnished to us by the management along with the Auditor's Report thereon. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

- (ii) The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs. 0.52 Lakhs as on 31st March 2022, total revenues of Rs. 0 Lakhs, net loss of Rs. 0.04 Lakhs and net cash inflows of Rs. 0.52 Lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

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 paragraph 3(xxi) of the Order.

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 of the consolidated financial statements.
- 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 including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



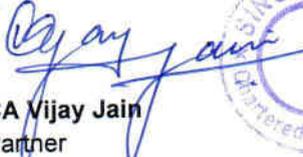
- f. With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure B" of this report.
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:
- i. The Group has disclosed the impact of pending litigations on its financial position in these consolidated financial statements – Refer Note 44 to the Consolidated financial statements.
 - ii. The Group 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 Group.
 - iv. a) The respective managements of the Holding Company and its subsidiaries incorporated in India have represented to us and the other auditors of such subsidiaries respectively 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 Holding Company or any subsidiary 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 Holding Company or any subsidiaries ("Ultimate Beneficiaries") or
 2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries incorporated in India have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any subsidiary company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies 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 to come our notice that has



caused us to believe that the representations under the sub clause (iv) (1) & (2) contain any material misstatement.

- v. No dividend has been declared or paid by the Holding Company or any subsidiary company.
- i. 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 Holding Company and its subsidiary companies are incorporated as a private company and thus the provision of section 197(16) of the Act are not applicable.

For Singhi & Co.,
Chartered Accountants,
(Firm Registration No. 302049E)


CA Vijay Jain
Partner
(Membership No. 077508)
UDIN: 22077508BEDIFC3936
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 **A-ONE STEEL AND ALLOYS PRIVATE LIMITED** of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sl. No.	Name of the Entities	CIN	Holding Company / Subsidiary Company / Associate / Joint Venture	Clause number of CARO report which is unfavorable or qualified or adverse
1	A-One Steel and Alloys Private Limited	U28999KA2012PTC063439	Holding Company	3(ii)(b) & 3(vii)(b)
2	Vanya Steels Private Limited	U74999KA2005PTC125578	Subsidiary Company	3(ii)(b) & 3(vii)(b)
3	A-One Gold Pipes And Tubes Private Limited	U27200KA2020PTC139870	Subsidiary Company	3(xvii)
4	A-One Gold Steels India Private Limited	U27300KA2020PTC137708	Subsidiary Company	Not applicable

For Singhi & Co.,
Chartered Accountants,
(Firm's Registration No. 302049E)


CA Vijay Jain
Partner



(Membership No. 077508)
UDIN: 22077508BEDIFC3936
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 with reference to the consolidated financial statements of **A-ONE STEEL AND ALLOYS PRIVATE LIMITED** ("the Holding Company") and its subsidiary companies incorporated in India as of 31st March 2022 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the 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 Holding Company's and its subsidiary companies' (incorporated in India) internal financial controls over financial reporting based on our audit of the consolidated financial statements. 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 consolidated 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 Holding Company's and subsidiary 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 with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of



financial reporting and the preparation of consolidated 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 consolidated 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 consolidated 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 consolidated 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.

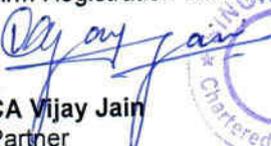
OPINION

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting with respect to the consolidated financial statements 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 Holding 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.

OTHER MATTER

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to the 3 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For SINGHI & CO.,
Chartered Accountants
Firm Registration No. 302049E


CA Vijay Jain
Partner
Membership No. 077508
UDIN: 22077508BEDIFC3936
Place: Bangalore
Date: 27th September 2022



	Note	As at	As at	As at
		March 31, 2022	March 31, 2021	April 1, 2020
Assets				
Non-current assets				
Property, plant & equipment	3	21,561.08	13,329.90	14,199.71
Capital work-in-progress	6	975.71	612.64	85.73
Right-of-use assets	5	9,960.70	10,404.98	7,651.29
Goodwill	7	0.08	0.08	0.08
Other Intangible assets	4	47.13	-	-
Financial assets				
Investments	8	1,249.71	50.49	49.31
Other financial assets	9	2,484.42	2,306.34	2,307.36
Non-current tax assets (net)	10	102.71	56.71	56.71
Other non-current assets	11	1,052.36	1,245.94	315.15
		37,433.92	28,007.08	24,665.34
Current assets				
Inventories	12	27,196.97	16,813.47	10,049.13
Financial assets				
Trade receivables	13	19,304.79	13,743.84	14,272.55
Cash and cash equivalents	14	2,726.92	2,576.73	43.79
Bank balances other than cash and cash equivalents	15	1,889.90	1,047.11	907.30
Loans	16	30.73	28.15	17.92
Other financial assets	17	728.90	425.57	291.56
Current tax asset (net)	18	14.37	46.00	43.84
Other current assets	19	12,878.67	3,445.44	2,809.07
		64,771.25	38,126.31	28,435.16
Total Assets		1,02,205.17	66,133.39	53,100.50
Equity and Liabilities				
Equity				
Equity share capital	20	1,300.00	1,300.00	900.00
Other equity	21	21,373.89	12,425.57	5,320.82
		22,673.89	13,725.57	6,220.82
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	22	11,379.56	9,247.97	8,312.32
Lease liabilities	23	10,536.74	10,604.14	7,233.23
Other financial liabilities	24	1,949.87	-	-
Provisions	25	128.35	126.10	95.60
Deferred tax liabilities (net)	26	247.98	513.80	230.15
Other non-current liabilities	27	3,524.46	1,771.78	3,679.96
		27,768.96	22,263.79	19,551.26
Current liabilities				
Financial liabilities				
Borrowings	28	31,429.42	13,337.17	12,944.77
Lease liabilities	29	126.72	371.60	399.87
Trade payables	30	12,642.09	10,668.92	9,140.53
Other financial liabilities	31	1,333.76	593.60	467.30
Other current liabilities	32	4,202.10	4,698.57	4,277.27
Provisions	33	28.58	24.57	19.27
Current tax liabilities (net)	34	1,999.65	449.60	79.41
		51,762.32	30,144.03	27,328.42
Total Equity and Liabilities		1,02,205.17	66,133.39	53,100.50

Summary of significant accounting policies

The accompanying notes 3 to 78 form an integral part of these financial statements.

For Singh & Co.
Chartered Accountants
ICAI FRN: 302049E

Vijay Jain
Partner
Membership No. 077508

Date: 27 September, 2022
Place: Bengaluru

For and on behalf of the Board of Directors of
A-One Steel and Alloys Private Limited

Sunil Jallan
Whole-time Director
DIN: 02150846

Sandeep Kumar
Director
DIN: 02112630

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Date: 27 September, 2022
Place: Bengaluru

A-One Steel and Alloys Private Limited

(CIN: U28999KA2012PTC063439)

Consolidated 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	35	2,63,685.87	1,65,635.55
Other income	36	469.18	841.17
Total Income		2,64,155.05	1,66,476.72
Expenses			
Cost of materials consumed	37	2,34,560.61	1,45,460.22
Changes in inventories of stock-in-trade, finished goods and work-in-progress	38	(4,542.83)	(1,507.60)
Employee benefit expense	39	2,061.78	1,234.16
Finance costs	40	3,194.08	3,310.22
Depreciation and amortisation expense	41	1,872.30	1,821.74
Other expenses	42	15,087.77	9,788.88
Total Expenses		2,52,233.71	1,60,107.62
Profit/(Loss) before exceptional items and tax		11,921.34	6,369.10
Less: Exceptional items		-	-
Profit/(Loss) before tax		11,921.34	6,369.10
Tax expenses			
Current tax	55	3,293.06	1,359.12
Income tax for earlier years	55	0.31	-
Deferred tax charge/(benefit)	55	(279.55)	273.02
		3,013.82	1,632.14
Profit/(Loss) after tax		8,907.52	4,736.96
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement of equity instruments		-	-
- Remeasurement of defined benefit plans	48	54.52	21.10
- Income tax relating to these items	55	(13.72)	(5.31)
		40.80	15.79
Items that will be reclassified to profit or loss			
- Foreign currency translation reserve		-	-
- Effective portion of cash flow hedge		-	-
- Income tax relating to these items		-	-
		-	-
Total comprehensive income/(loss)		8,948.32	4,752.75
Earnings/(Loss) per equity share (in ₹):			
-Basic and diluted earnings/(loss) per share	43	685.19	523.46

Summary of significant accounting policies

The accompanying notes 3 to 78 form an integral part of these financial statements.

For Singhi & Co.

Chartered Accountants
ICAI FRN: 302049E

Vijay Jain
Partner
Membership No.: 077508

Date: 27 September, 2022
Place: Bengaluru

For and on behalf of the Board of Directors of
A-One Steel and Alloys Private Limited

Sunil Jallan
Whole-time Director
DIN: 02150846

Date: 27 September, 2022
Place: Bengaluru

Sandeep Kumal
Director
DIN: 02112630

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

A-One Steel and Alloys Private Limited

(CIN: U28999KA2012PTC063439)

Consolidated 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	11,921.34	6,369.10
Adjustments to reconcile profit before tax to cash generated from operating activities		
Provision for employee benefits	56.40	9.99
Depreciation and amortisation expense	1,872.30	1,821.74
Impairment of trade receivables	265.15	123.17
(Profit) on sale of property, plant and equipment	(0.48)	-
Interest income	(462.80)	(827.90)
Liabilities no longer required written back		
Finance costs	3,194.08	3,310.22
Other comprehensive income/(loss)	54.52	21.10
Operating profit before working capital changes	16,900.51	10,827.42
Adjustments for (increase)/decrease in operating assets		
Bank balances other than cash and cash equivalents	(842.79)	(139.81)
Inventories	(10,383.50)	(6,764.34)
Trade receivables	(5,826.10)	405.54
Loans	4,065.12	(10.23)
Other financial assets	(481.41)	(132.99)
Other non-financial assets	(9,239.67)	(1,567.16)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	1,973.17	1,528.39
Other financial liabilities	2,690.03	126.30
Provisions	(50.14)	25.81
Other non-financial liabilities	1,256.21	(1,486.88)
Cash generated from/(used in) operations	61.43	2,812.05
Less: Income tax paid (net of refunds)	(1,757.67)	(985.78)
Net cash flow generated from/(used in) operating activities (A)	(1,696.24)	1,826.27
Cash flows from investing activities		
Proceeds from/(payments for) PPE, intangible assets and CWIP	(10,068.92)	(988.83)
(Increase)/decrease in investments	(1,199.22)	(1.18)
Loans given	(4,067.70)	-
Interest income	462.80	827.90
Net cash flow from investing activities (B)	(14,873.04)	(162.11)
Cash flows from financing activities		
Proceeds from/(payments for) borrowings	20,223.84	1,328.05
Payment of lease liabilities	(1,238.64)	(734.77)
Issue of equity shares	-	2,752.00
Finance costs	(2,265.73)	(2,476.50)
Net cash inflow from/(used in) financing activities (C)	16,719.47	868.78
Net increase (decrease) in cash and cash equivalents (A+B+C)	150.19	2,532.94
Cash and cash equivalents at the beginning of the year	2,576.73	43.79
Cash and cash equivalents at the end of the year	2,726.92	2,576.73

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A-One Steel and Alloys Private Limited
(CIN: U28999KA2012PTC063439)
Consolidated 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 14 and 15)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	2,726.92	2,576.73
Other bank balances	1,889.90	1,047.11
Cash and bank balances at end of the year	4,616.82	3,623.84

(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	10,570.18	12,014.97
Loan draws (in cash)/interest accrued during the year	7,492.61	16,722.83
Adjustment for processing fee	11.57	-
Loan repayment/interest payment during the year	(3,893.84)	-
Other non-cash changes	(109.33)	-
Balance as at March 31, 2022	14,071.19	28,737.80
For the year ended March 31, 2021		
Balance as at April 1, 2020	9,669.72	11,587.37
Loan draws (in cash)/interest accrued during the year	7,444.71	427.60
Adjustment for processing fee	(13.98)	-
Loan repayment/interest payment during the year	(5,518.70)	-
Other non-cash changes	(1,011.57)	-
Balance as at March 31, 2021	10,570.18	12,014.97

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 78.

For Singhi & Co.
Chartered Accountants
ICAI FRN: 302049E

Vijay Jain
Partner
Membership No.: 077508

For and on behalf of the Board of Directors of
A-One Steel and Alloys Private Limited


Sunil Jallan
Whole-time Director
DIN: 02150846


Sandeep Kumar
Director
DIN: 02112630


Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Date: 27 September, 2022
Place: Bengaluru

Date: 27 September, 2022
Place: Bengaluru

A-One Steel and Alloys Private Limited
(CIN: U28999KA2012PTC063439)

Consolidated 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	900.00
Change in equity share capital during 2020-21	400.00
Balance as at March 31, 2021	1,300.00
Change in equity share capital during 2021-22	-
Balance as at March 31, 2022	1,300.00

B. Other equity

Particulars	Retained earnings	Securities premium	Items of other comprehensive income		Total
			Remeasurement of equity instruments	Remeasurement of defined benefit obligation	
Balance as at April 1, 2020	5,430.53	-	-	-	5,430.53
Impact due to Ind AS adjustments (Refer Note 57)	(109.71)	-	-	-	(109.71)
Restated balance at the beginning of the reporting year	5,320.82	-	-	-	5,320.82
Profit for the year	4,736.96	-	-	-	4,736.96
Additions during the year	-	2,352.00	-	-	2,352.00
Other comprehensive income	-	-	-	21.10	21.10
Tax impact on above	-	-	-	(5.31)	(5.31)
Balance as at March 31, 2021	10,057.78	2,352.00	-	15.79	12,425.57
Profit for the year	8,907.52	-	-	-	8,907.52
Other comprehensive income	-	-	-	54.52	54.52
Tax impact on above	-	-	-	(13.72)	(13.72)
Balance as at March 31, 2022	18,965.30	2,352.00	-	56.59	21,373.89

The above statement of changes in equity should be read in conjunction with the accompanying notes 3 to 78.

For Singhi & Co.

Chartered Accountants

ICAI FRN: 302049P1 & CO.

Vijay Jain

Partner

Membership No.: 077508



For and on behalf of the Board of Directors of
A-One Steel and Alloys Private Limited

Sunil Jallan

Whole-time Director

DIN: 02150846



Sandeep Kumar

Director

DIN: 02112630



Poola Sara Nagaraja

Company Secretary

M. No.: A52496

Date: 27 September, 2022
Place: Bengaluru

Date: 27 September, 2022
Place: Bengaluru

3 Property, plant and equipment

	Gross block (at cost)			Accumulated depreciation			Net block	
	As at April 1, 2021	Additions during the year	Disposal/Adjustment	As at March 31, 2022	As at April 1, 2021	Additions during the year	Disposal/Adjustment	As at March 31, 2022
Current year								
Freehold land	1,423.95	354.29	-	1,778.24	-	-	-	1,778.24
Factory sheds and building	1,120.84	570.06	-	1,690.90	37.60	39.37	-	1,613.93
Plant and equipment	11,578.25	8,464.09	5.30	20,137.04	1,233.14	1,282.03	0.10	17,621.97
Electrical installation	107.92	107.67	-	215.59	17.72	28.95	-	168.92
Furniture and fixtures	84.59	12.49	-	97.08	4.37	8.80	-	83.91
Office equipments	47.35	16.99	-	64.34	9.79	13.43	-	41.12
Computers	43.58	20.74	-	64.32	9.26	16.50	-	38.56
Motor car	155.15	112.38	-	267.53	19.85	33.25	-	214.43
	14,661.63	9,658.71	5.30	28,315.04	1,331.73	1,422.33	0.10	27,531.96
Previous year								
Freehold land	1,363.73	60.22	-	1,423.95	-	-	-	1,423.95
Factory sheds and building	1,067.02	53.82	-	1,120.84	-	37.60	-	1,083.24
Plant and equipment	11,519.81	158.44	-	11,678.25	-	1,233.14	-	10,445.11
Electrical installation	81.30	26.62	-	107.92	-	17.72	-	90.20
Furniture and fixtures	18.77	65.82	-	84.59	-	4.37	-	80.22
Office equipments	26.97	20.38	-	47.35	-	9.79	-	37.56
Computers	13.84	29.74	-	43.58	-	9.26	-	34.32
Motor car	108.27	46.88	-	155.15	-	19.85	-	135.30
	14,199.71	461.92	-	14,661.63	-	1,331.73	-	13,329.90

Footnotes:

- The Group 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 57).
- The Group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022 and March 31, 2021.
- Please refer note 44 for capital commitments.
- There are no impairment losses recognised for the year ended March 31, 2022 and March 31, 2021.
- There are no exchange differences adjusted in Property, plant & equipment.
- All property, plant and equipment, are subject to charge against secured borrowings of the Group referred in notes as secured term loans from banks, vehicle loans from banks and financial institutions, working capital demand loans from banks and cash credit limit from banks. (refer note 22 and 28).



4 Other Intangible assets

	Current year			Previous year		
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022	As at April 1, 2021	Additions during the year
Software	-	52.82	-	52.82	-	5.69
	-	52.82	-	52.82	-	5.69
Software	-	-	-	-	-	-
	-	-	-	-	-	-
Software	-	-	-	-	-	-
	-	-	-	-	-	-

Footnotes:

- (i) The Group has elected Ind AS 101 exemption and will continue with the carrying value for all of its intangible assets as its deemed cost at the date of transition (refer note 57).
- (ii) There are no Internally generated intangible assets.
- (iii) The Group has not carried out any revaluation of intangible assets for the year ended March 31, 2022 and March 31, 2021.
- (iv) There are no other restriction on title of intangible assets.
- (v) There are no exchange differences adjusted in intangible assets.
- (vi) The Group has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

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5 Right-of-use assets

Particulars	Land	Land and Building	Plant and Machinery	Total
Balance as at April 1, 2020	114.51	1,094.79	6,441.99	7,651.29
Additions on account of new lease contracts entered into during the year	-	181.91	-	181.91
Depreciation charged for the year	-	(66.91)	(423.10)	(490.01)
Modifications in right-of-use assets due to change in lease term	-	191.36	2,870.43	3,061.79
Balance as at March 31, 2021	114.51	1,401.15	8,889.32	10,404.98
Balance as at April 1, 2021	114.51	1,401.15	8,889.32	10,404.98
Additions on account of new lease contracts entered into during the year	-	-	-	-
Depreciation charged for the year	-	(69.98)	(374.30)	(444.28)
Other adjustments - Termination, Remeasurements, Modification etc.	-	-	-	-
Balance as at March 31, 2022	114.51	1,331.17	8,515.02	9,960.70

Footnote:
 Please refer note 50 for details of assets given on operating lease.

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6 Capital work-in-progress

Balance at the beginning

Addition during the year:

Capitalised during the year:

Plant and machinery

Balance at the end

Footnote:

Capital work-in-progress ageing

Particulars

Projects in progress

Less than 1 year

1-2 years

2-3 years

More than 3 years

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balance at the beginning	612.64	85.73	85.73
Addition during the year:	363.07	526.91	-
	975.71	612.64	85.73
Capitalised during the year:			
Plant and machinery	-	-	-
Balance at the end	975.71	612.64	85.73

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Projects in progress			
Less than 1 year	934.91	526.91	76.19
1-2 years	15.00	76.19	9.54
2-3 years	16.26	9.54	-
More than 3 years	9.54	-	-
	975.71	612.64	85.73

7 Goodwill

Goodwill on consolidation

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Goodwill on consolidation	0.08	0.08	0.08
	0.08	0.08	0.08

8 Investments (non-current)

Investment in equity instruments carried at fair value through other comprehensive income:

Unquoted

Vyshali Energy Private Limited

[32,450 equity shares of ₹ 10 each (March 31, 2021: 47,926; April 1, 2020: 43,026)]

Atria Wind Power Private Limited

[22,068 equity shares of ₹ 100 each (March 31, 2021: 20,635; April 1, 2020: 20,322)]

Radiance Ka Sunshine Five Private Limited

[3,514 equity shares of ₹ 10 each (March 31, 2021: Nil ; April 1, 2020: Nil)]

Alpur Solar Private Limited

[49,74,500 equity shares of ₹ 10 each (March 31, 2021: Nil ; April 1, 2020: Nil)]

FP Suraj Private Limited

[39,23,600 equity shares of ₹ 10 each (March 31, 2021: Nil ; April 1, 2020: Nil)]

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Vyshali Energy Private Limited	3.25	4.79	4.30
Atria Wind Power Private Limited	48.88	45.70	45.01
Radiance Ka Sunshine Five Private Limited	0.35	-	-
Alpur Solar Private Limited	804.87	-	-
FP Suraj Private Limited	392.36	-	-
	1,249.71	50.49	49.31

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
Book value of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Book value of unquoted investments	1,249.71	50.49	49.31

(ii) For explanation on the Group's credit risk management process, refer note 53.

(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 Group had invested in equity shares of Vyshali Energy Private Limited, Atria Wind Power Private Limited, Radiance Ka Sunshine Five Private Limited, Alpur Solar Private Limited and FP Suraj Private Limited for procurement of power towards captive consumption in Bellary and Gauribidanur units. 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 Group 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.

9 Other financial assets (non-current)

Unsecured, considered good - at amortised cost

Security deposits

Sales tax deposit

Advances made for investments

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposits	675.43	175.24	176.26
Sales tax deposit	0.10	0.10	0.10
Advances made for investments	1,808.89	2,131.00	2,131.00
	2,484.42	2,306.34	2,307.36

Footnote:

For explanation on the Group's credit risk management process, refer note 53.



10 Non-current tax assets (net)

Income tax refundable

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
102.71	56.71	56.71
102.71	56.71	56.71

11 Other non-current assets

Unsecured, considered good

Prepaid lease rent

Prepaid royalty

Prepaid expenses

Capital advances

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
100.52	34.48	19.27
-	1.30	-
112.85	-	-
839.01	1,210.16	295.88
1,052.38	1,245.94	315.15

12 Inventories

Valued at lower of cost and net realisable value

Raw materials

Stores and spares

Finished goods

Stock-in-trade

Valued at estimated realisable value

By-product

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
13,551.12	8,286.76	3,415.75
1,595.07	1,684.98	1,522.35
10,410.41	5,952.70	4,505.83
1,260.91	889.03	605.20
379.46	-	-
27,196.97	16,813.47	10,049.13

Footnotes:

Inventories are hypothecated as securities for borrowings taken from banks (refer note 49).

13 Trade receivables

Unsecured - at amortised cost

(i) Undisputed trade receivables — considered good

(ii) Undisputed trade receivables — which have significant increase in credit risk

Less: Impairment loss allowance

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
19,620.57	13,857.42	14,229.49
291.45	228.50	264.60
(607.23)	(342.08)	(221.54)
19,304.79	13,743.84	14,272.55

Footnotes:

- (i) The Group has measured expected credit loss of trade receivable as per Ind AS 109 'Financial Instruments' (refer note 53).
(ii) Trade receivables are hypothecated as securities for borrowings taken from banks (refer note 49).
(iii) For explanation on the Group's credit risk management process, refer note 53.
(iv) Trade receivables are non-interest bearing and are normally received in the Group's operating cycle.
(v) For trade receivables due from director or other officer of the Group 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 51.
(vi) Trade receivables ageing

Particulars

Unsecured - at amortised cost

Undisputed trade receivables — considered good

0-6 months

6-12 months

1-2 years

2-3 years

More than 3 years

Undisputed trade receivables — which have significant increase in credit risk

0-6 months

6-12 months

1-2 years

2-3 years

More than 3 years

Less: Impairment loss allowance

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
17,814.78	13,239.81	12,680.75
313.73	210.48	1,418.50
1,192.66	375.48	115.51
248.57	12.94	0.25
50.83	18.71	14.48
-	-	-
-	-	119.67
41.45	102.24	55.09
93.03	36.93	-
156.97	89.33	89.84
(607.23)	(342.08)	(221.54)
19,304.79	13,743.84	14,272.55

14 Cash and cash equivalents

Balances with banks

- in current accounts

Cheque on hand

Cash on hand

As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
2,602.33	2,548.04	25.91
-	-	-
124.59	28.69	17.88
2,726.92	2,576.73	43.79



15 Bank balances other than cash and cash equivalents

Deposits with maturity more than three months but less than twelve months
LC margin money

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Deposits with maturity more than three months but less than twelve months	1,889.41	1,047.11	907.30
LC margin money	0.49	-	-
	1,889.90	1,047.11	907.30

Footnote:

Above balances are held with bank as security in relation to repayment of borrowings (refer note 22 and 28).

16 Loans (current)

Unsecured, considered good - at amortised cost

Loans to
- Employees
- Related parties

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Loans to			
- Employees	30.73	28.15	17.92
- Related parties	-	-	-
	30.73	28.15	17.92

Footnotes:

- (i) For explanation on the Group's credit risk management process, refer note 53.
(ii) For information required under Section 186(4) of the Companies Act, 2013 refer note 46.

17 Other financial assets (current)

Unsecured, considered good

Security deposits
Earnest money deposits
Accrued interest on fixed deposits

Unsecured, doubtful

Processing fees recoverable
Excess interest recoverable

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposits	154.46	49.31	22.71
Earnest money deposits	556.20	296.67	137.92
Accrued interest on fixed deposits	18.24	8.34	8.25
Unsecured, doubtful			
Processing fees recoverable	-	-	47.43
Excess interest recoverable	-	71.25	75.25
	728.90	425.57	291.56

Footnote:

For explanation on the Group's credit risk management process, refer note 53.

18 Current tax assets (net)

Current tax asset (net)

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current tax asset (net)	14.37	46.00	43.84
	14.37	46.00	43.84

19 Other current assets

Unsecured, considered good

Advance to suppliers
Prepaid lease rent
Prepaid royalty
Prepaid expenses
Balance with government authorities

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance to suppliers	11,360.80	2,561.62	2,156.44
Prepaid lease rent	6.02	1.22	2.34
Prepaid royalty	1.30	1.69	-
Prepaid expenses	325.35	188.85	45.64
Balance with government authorities	1,185.20	692.06	604.65
	12,878.67	3,445.44	2,809.07

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20 Equity share capital

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

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Authorised shares			
15,00,000 (March 31, 2021 15,00,000; March 31 2020 10,00,000) shares of ₹ 100 each	1,500.00	1,500.00	1,000.00
	<u>1,500.00</u>	<u>1,500.00</u>	<u>1,000.00</u>
Issued, subscribed and fully paid-up shares			
13,00,000 (March 31, 2021 13,00,000; March 31 2020 9,00,000) shares of ₹ 100 each	1,300.00	1,300.00	900.00
	<u>1,300.00</u>	<u>1,300.00</u>	<u>900.00</u>

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

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13,00,000	1,300.00	9,00,000	900.00
Shares issued during the year	-	-	4,00,000	400.00
Shares outstanding at the end of the year	<u>13,00,000</u>	<u>1,300.00</u>	<u>13,00,000</u>	<u>1,300.00</u>

(iii). Terms/rights attached to equity shares

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Holding 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 Group has not distributed any dividend in the current and previous year.

Liquidation

In the event of liquidation of the Holding Company, the shareholders shall be entitled to receive all of the remaining assets of the Group 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). Detail of shareholders holding more than 5% of equity share of the Group

Name of shareholders	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	Percentage	Number	Percentage	Number	Percentage
Mona Jallan	-	0.00%	1,77,600	13.66%	1,77,600	19.73%
Krishna Kumar Jallan	3,79,770	29.21%	3,79,770	29.21%	3,36,670	37.41%
Sandeep Kumar	4,77,850	36.76%	3,00,250	23.10%	1,00,250	11.14%
Sunil Jallan	4,42,380	34.03%	4,42,380	34.03%	2,42,380	26.93%

(v). 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.

(vi). 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
Mona Jallan	-	0.00%	-100.00%	1,77,600	13.66%
Krishna Kumar Jallan	3,79,770	29.21%	0.00%	3,79,770	29.21%
Sandeep Kumar	4,77,850	36.76%	59.15%	3,00,250	23.10%
Sunil Jallan	4,42,380	34.03%	0.00%	4,42,380	34.03%
	<u>13,00,000</u>	<u>100%</u>		<u>13,00,000</u>	<u>100%</u>

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Name of promoters	As at March 31, 2021		% change	As at April 1, 2020	
	Number	Percentage		Number	Percentage
Mona Jallan	1,77,600	13.66%	0.00%	1,77,600	19.73%
Krishna Kumar Jallan	3,79,770	29.21%	12.80%	3,36,670	37.41%
Krishna Kumar Jallan (as Karta of HUF)	-	0.00%	-100.00%	43,100	4.79%
Sandeep Kumar	3,00,250	23.10%	199.50%	1,00,250	11.14%
Sunil Jallan	4,42,380	34.03%	82.52%	2,42,380	26.93%
	13,00,000	100.00%		9,00,000	100.00%

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

21 Other equity

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(i). Retained earnings			
Opening balance	10,057.78	5,320.82	5,430.53
Add/Less: Impact due to Ind AS adjustments	-	-	(109.71)
Add: Profit/(Loss) for the year	8,907.52	4,736.96	-
Closing balance	18,965.30	10,057.78	5,320.82
(ii). Securities premium			
Opening balance	2,352.00	-	-
Add: Additions during the year	-	2,352.00	-
Closing balance	2,352.00	2,352.00	-
(iii). Items of other comprehensive income			
Opening balance	15.79	-	-
Add: Other comprehensive income/(loss) for the year	40.80	15.79	-
Closing balance	56.59	15.79	-
	21,373.89	12,425.67	5,320.82

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 Group 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 Group 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 Group 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.

Remeasurement of defined benefit obligation

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



22 Borrowings (non-current)

Secured - at amortised cost

Term loans:

- from banks (refer note 49)

Less: Current maturities

11,664.92
(2,660.89)

8,249.28
(1,302.16)

5,379.62
(1,338.55)

Vehicle and equipment loans:

- from banks (refer note 49)

- from financial institutions (refer note 49)

Less: Current maturities

106.50
-
(30.73)

43.37
-
(20.04)

48.68
2.02
(18.85)

Unsecured - at amortised cost

From related parties (refer note 51 and note 49)

From others (refer note 49)

Privately placed non-cumulative redeemable preference shares

1,681.43
-
618.33
11,379.56

1,463.48
266.68
547.36
9,247.97

2,338.37
1,810.33
90.70
8,312.32

Footnote:

For explanation on the Group's liquidity risk management process, refer note 53.

23 Lease liabilities (non-current)

Lease liabilities (refer note 50 and 51)

10,538.74
10,538.74

10,604.14
10,604.14

7,233.23
7,233.23

Footnote:

For explanation on the Group's liquidity risk management process, refer note 53.

24 Other financial liabilities (non-current)

Deposits from agents

1,949.87
1,949.87

-
-

-
-

Footnote:

For explanation on the Group's liquidity risk management process, refer note 53.

25 Provisions (non-current)

Provision for employee benefits

Provision for gratuity (refer note 48)

Provision for compensated absences

119.34
9.01
128.35

118.51
7.59
126.10

88.93
6.67
95.60

26 Deferred tax liabilities (net)

Deferred tax liabilities (net) (refer note 55)

247.98
247.98

513.80
513.80

230.15
230.15

27 Other non-current liabilities

Deferred fair value gain on account of deposits from agents

Deferred fair value gain on account of unsecured loan

Deferred fair value gain on account of preference shares

Other long-term liabilities

915.13
459.45
1,014.86
1,135.02
3,524.46

-
70.72
1,130.66
570.40
1,771.78

-
1,185.90
188.25
2,305.81
3,679.96



28 Borrowings (current)

Secured - at amortised cost

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Working capital loan from banks	14,573.00	-	-
Cash credits from banks	10,045.20	9,321.86	8,890.69
Bills discounted under LC	2,689.08	2,693.11	2,696.68
Current maturities of non-current borrowings (refer note 22)	2,691.62	1,322.20	1,357.40
Unsecured - at amortised cost			
Bills discounted under TReDS	1,430.52	-	-
	31,429.42	13,337.17	12,944.77

Footnote:

- (i) For terms & conditions, repayment and nature of security given, refer note 48.
(ii) For explanation on the Group's liquidity risk management process, refer note 53.

29 Lease liabilities (current)

Lease liabilities (refer note 50 and 51)

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
	126.72	371.60	399.87
	126.72	371.60	399.87

Footnote:

For explanation on the Group's liquidity risk management process, refer note 53.

30 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
	517.68	606.21	61.88
	12,124.41	10,062.71	9,078.65
	12,642.09	10,668.92	9,140.53

Footnotes:

- (i) For disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 refer note 47.
(ii) For explanation on the Group's liquidity risk management process, refer note 53.
(iii) Trade payables ageing

Particulars

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Dues to micro enterprises and small enterprises			
Less than 1 year	500.09	606.06	61.88
1-2 years	17.59	0.15	-
Dues to others			
Less than 1 year	11,918.29	9,792.61	8,979.94
1-2 years	186.85	155.51	87.38
2-3 years	18.54	114.59	11.33
More than 3 years	0.73	-	-
	12,642.09	10,668.92	9,140.53

31 Other financial liabilities (current)

Payable for capital goods
Payable for investments
Employees related payable
Audit fees payable
Electricity charges payable
Expenses payable

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
	552.90	66.75	57.56
	404.50	-	-
	139.35	124.64	89.28
	10.98	8.30	4.98
	31.04	-	-
	194.99	393.91	315.48
	1,333.76	593.60	467.30

Footnote:

For explanation on the Group's liquidity risk management process, refer note 53.



32 Other current liabilities

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance from customers	2,941.60	3,534.15	4,096.68
Statutory dues payable	1,148.37	1,125.72	180.59
Deferred revenue	59.22	-	-
Contract liability as per Ind AS 115	52.91	38.70	-
	4,202.10	4,698.57	4,277.27

33 Provisions (current)

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for employee benefits			
Provision for gratuity (refer note 48)	1.61	0.56	0.28
Provision for compensated absences	0.21	0.20	0.15
Provision for bonus	26.76	23.81	18.84
	28.58	24.57	19.27

34 Current tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current tax liabilities (net)	1,999.65	449.60	79.41
	1,999.65	449.60	79.41



35 Revenue from operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Manufacturing goods	1,99,488.58	1,12,448.44
Trading goods	63,261.82	53,082.81
Sale of services		
Job work charges	683.05	66.20
Other operating revenues		
Export incentives	252.42	38.10
	2,63,685.87	1,65,635.55

Information required as per Ind AS 115:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Disaggregated revenue information as per geographical markets		
Revenue from customers based in India	2,48,545.12	1,62,612.18
Revenue from customers based outside India	15,140.75	3,023.37
Timing of revenue recognition		
Transferred at a point in time	2,63,685.87	1,65,635.55
Transferred over time	-	-
Trade receivables and contract assets/(liabilities)		
Trade receivables	19,304.79	13,743.84
Contract liability	(52.91)	(38.70)

Changes in contract liability are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	38.70	-
Recognised and deducted from revenue during the year	52.91	38.70
Utilised and adjusted from actual expense during the year	38.70	-
Balance at the end of the year	52.91	38.70

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.

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36 Other income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income (refer note 50 and 51)	4.50	1.31
Interest income		
- on fixed deposits	65.29	57.15
- on security deposits	7.49	11.40
- on security deposits using EIR method	12.20	1.10
- on late payment from customers	30.62	45.17
- on deferred fair value gain of preference shares	115.80	27.12
- on deferred fair value gain of unsecured loans	191.85	685.96
- on others	39.55	-
Commission income	-	1.00
Profit on sale of property, plant and equipment	0.48	-
Foreign exchange fluctuation gain	-	10.96
Miscellaneous income	1.40	-
	<u>469.18</u>	<u>841.17</u>

37 Cost of materials consumed

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of raw material	10,048.33	4,791.60
Add: Purchases	2,22,027.05	1,38,666.96
Add: Purchases of stores, spares, components etc.	112.21	-
Add: Freight, transportation and loading charges	11,550.18	6,249.45
Add: Import expenses and high sea purchase expenses	938.82	1,440.48
Add: Storage charges	67.69	190.09
Add: Royalty expenses	2,494.00	1,506.19
Add: Handling charges	1,456.60	1,214.22
Add: Compensation cess	1,552.33	1,190.23
Add: Custom duty	205.27	259.33
Less: Closing stock of raw material	(15,146.19)	(10,048.33)
Less: Transferred to Property, plant and equipment	(745.68)	-
	<u>2,34,560.61</u>	<u>1,45,460.22</u>

38 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	6,765.12	5,257.52
Closing stock	(12,050.77)	(6,765.12)
Less: Transferred to Property, plant and equipment (trial run production)	742.82	-
	<u>(4,542.83)</u>	<u>(1,507.60)</u>

39 Employee benefit expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, wages, bonus and allowances	1,855.86	1,104.99
Employers' contribution to provident and other funds (Refer note 48)	48.63	33.45
Expenses related to post employment defined benefit plans (Refer note 48)	56.40	9.99
Expenses related to compensated absences	2.05	42.35
Employee share-based payment expenses	-	33.47
Staff and labour welfare expenses	111.72	9.91
Less: Transferred to Property, plant and equipment (trial run production)	(12.88)	-
	<u>2,061.78</u>	<u>1,234.16</u>



A-One Steel and Alloys Private Limited

(CIN: U28999KA2012PTC063439)

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

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

40 Finance costs

Interest expenses

- on borrowings	2,184.18	2,143.02
- on unsecured borrowings as per EIR method	142.60	16.20
- on preference shares	70.98	-
- on lease liabilities (refer note 50)	928.35	833.72
- on late payment of statutory dues	44.09	75.57
- on late payment to suppliers	26.96	143.77
Other borrowing costs	78.26	97.94
Less: Borrowing costs capitalised during the year (refer note 7)	(281.34)	-

For the year ended
March 31, 2022

For the year ended
March 31, 2021

3,194.08 3,310.22

41 Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,422.33	1,331.73
Amortisation of intangible assets (refer note 4)	5.69	-
Depreciation on right-of-use assets (refer note 5)	444.28	490.01

For the year ended
March 31, 2022

For the year ended
March 31, 2021

1,872.30 1,821.74

42 Other expenses

Outside labour charges	880.32	559.37
Village welfare and development expenses	38.27	37.77
Power, fuel and diesel	9,549.74	6,947.81
Electricity expenses	63.97	-
Less: Transferred to Property, plant and equipment (trial run production)	(63.97)	-
Export expenses	169.94	38.52
Packing, freight, forwarding and handling charges (outward)	973.12	369.04
Less: Transferred to Property, plant and equipment (trial run production)	(6.51)	-
Royalty expenses	312.69	66.39
Commission expenses	123.41	110.46
Testing and inspection charges	7.96	6.70
Security charges	111.26	95.82
Rent and hire charges	532.24	175.46
Insurance	56.14	46.94
Fees and subscriptions	-	1.18
Rates and taxes	46.46	93.41
Travelling and conveyance	73.20	15.42
Advertisement and business promotion expenses	-	341.99
Discount	85.44	-
Business promotion expenses	777.16	15.14
Legal and professional expenses (refer footnote)	244.85	124.17
Charity and donations	31.28	23.48
CSR expenses (refer note 45)	133.47	54.80
Repairs and maintenance expenses	322.24	279.62
Impairment of trade receivables (refer note 53)	265.15	123.17
Foreign exchange fluctuation loss	42.37	-
Sundry balances written off	87.60	136.29
Printing and stationery	0.19	-
Bank charges	0.19	-
Miscellaneous expenses	229.59	125.93

For the year ended
March 31, 2022

For the year ended
March 31, 2021

15,087.77 9,788.88



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
	7.80	7.30
	1.75	1.50
	<u>9.55</u>	<u>8.80</u>

43 Earning per share

(a). Basic and diluted earnings per share

From continuing operations attributable to the equity holders of the Group

685.19 523.46

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

Basic earnings per share

Profit from continuing operation attributable to the equity share holders

8,907.52 4,736.96

Profit attributable to the equity holders of the group used in calculating basic and diluted earnings per share

8,907.52 4,736.96

(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

13.00 9.05

The Group 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.

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44 Contingent liabilities and commitments

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Litigations			
GST matters (refer footnote i & vi)	18.23	-	429.14
Income tax matters (refer footnote ii)	5,276.41	-	-
IndusInd Bank Limited (refer footnote v)	-	-	47.43
Guarantees			
A One Steels India Private Limited (refer footnote iii)	2,873.90	2,873.90	-
Karnataka Renewal Energy Development Limited (refer footnote iv)	95.00	95.00	95.00
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advances of ₹ 839.01 (March 31, 2021: ₹ 1,210.16 and April 1, 2020 ₹ 295.88).	78.76	-	-

Footnotes:

- (i) The Group has received a demand for Interest Liability recovery under GST Act, 2017, on delayed payment of GST amounting to ₹ 451.71 Lacs against which the Group has self computed interest on unpaid amount of ₹ 22.57 Lacs. The Group has filed a writ petition before the Hon'ble Karnataka High Court requesting to not to initiate coercive action against the Group towards recovery. The Group expects to sustain its position.
- (ii) Contingent liability with respect to Income Tax matters is for search action conducted under Section 132 of the Income Tax Act, 1961.
- (iii) The Group has issued various corporate guarantees to various Banks and Financial Institutions for borrowings obtained by A One Steels India Private Limited aggregating to ₹ 2,873.90 Lacs.
- (iv) The Group has issued bank guarantees to Karnataka Renewal Energy Development Limited aggregating to ₹ 95.00 Lacs.
- (v) IndusInd Bank has recovered ₹ 47.43 Lacs as preclosure charges without renewal of the credit limits. The Group has the taken up the matter with Bank to refund this money. Further Group also filed a suit in the Hon'ble State Consumer Disputes Redressal Commission, Bangalore for recovery of this money. The Group is confident of recovering this money from bank. However, Group has written off this amount in financial year 2020-21.
- (vi) Contingent liability with respect to GST matters is for demand order under GST Act.

45 Expenditure on CSR activities

As per Section 135 of the Companies Act, 2013, Companies are required to spend, in every financial year, at least two per cent of its average net profits 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 of the Group 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	80.66	42.02
Shortfall/ (excess) amount of previous year	(12.78)	-
Total	67.88	42.02
Amount spent during the year on		
- construction/acquisition of any property, plant and equipment	-	-
- purposes other than above	133.47	54.80
Total	133.47	54.80
Shortfall/ (excess) amount carried forward to next year	(65.59)	(12.78)

Footnote:**Nature of CSR activities**

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

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46 Information required under Section 186(4) of the Companies Act, 2013

Guarantees

The Group has issued various corporate guarantees to various Banks and Financial Institutions for borrowings obtained by A One Steels India Private Limited aggregating to ₹ 2873.90 Lacs. The beneficiary company have used amount of borrowings for its principal business activities.

47 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:

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
- Interest due on above

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
- Trade payables	517.68	606.21	61.88
- Interest due on above	-	-	-
	517.68	606.21	61.88

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.

- - -

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.

- - -

48 Employee benefits

i. Defined contribution plans:

The Group 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 Group 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 Group has recognised, in the Statement of Profit and loss for the year ended March 31, 2022 an amount of ₹ 35.76 Lacs March 31, 2021: ₹ 22.93 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
Employer's contribution to provident fund	35.76	22.93
	35.76	22.93

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II. Defined benefit plans:

Gratuity

The Group 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)

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Present value of obligations	120.96	119.08	89.21
Fair value of plan assets	-	-	-
Total employee benefit liabilities/(assets)	120.96	119.08	89.21
Non-current	119.35	118.52	88.93
Current	1.61	0.56	0.28

B. Reconciliation of the net defined benefit liability

	As at March 31, 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	119.08	-	119.08
Included in profit or loss			
Current service cost	48.25	-	48.25
Past service cost	-	-	-
Interest cost/(income)	8.15	-	8.15
Expected return on plan assets	-	-	-
	56.40	-	56.40
Included in OCI			
Remeasurements loss (gain)			
- Actuarial loss (gain) arising from:			
- financial assumptions	(6.87)	-	(6.87)
- demographic assumptions	-	-	-
- experience adjustment	(47.65)	-	(47.65)
Return on plan assets excluding interest income	-	-	-
	(54.52)	-	(54.52)
Other			
Contributions paid by the employer	-	-	-
Benefits paid	-	-	-
	-	-	-
Balance at the end of the year	120.96	-	120.96

	As at March 31, 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	89.21	-	89.21
Included in profit or loss			
Current service cost	44.86	-	44.86
Past service cost	-	-	-
Interest cost/(income)	6.11	-	6.11
Expected return on plan assets	-	-	-
	50.97	-	50.97



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Included in OCI

Remeasurements loss (gain)

– Actuarial loss (gain) arising from:

– financial assumptions

– demographic assumptions

– experience adjustment

Return on plan assets excluding interest income

3.19	-	3.19
0.39	-	0.39
(24.68)	-	(24.68)
-	-	-
(21.10)	-	(21.10)

Other

Contributions paid by the employer

Benefits paid

-	-	-
-	-	-
-	-	-

Balance at the end of the year

119.08	-	119.08
---------------	----------	---------------

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

Past service cost

Net interest cost

Expected return on plan assets

48.25	44.86
-	-
8.15	6.11
-	-

C. Plan assets

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

Plan assets comprises of the following:

Total plan assets

Funds managed by insurer

% of Plan assets

	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 Group on an annual basis, whereby the Group 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 Group.

	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

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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)	(19.44)	24.59	(20.16)	25.65
Future salary growth (1.00% movement)	24.09	(19.58)	25.24	(20.23)
Attrition rate (50.00% movement)	(1.01)	0.92	(2.37)	2.43
Mortality Rate (10.00% movement)	0.02	(0.03)	(0.01)	0.01

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.

Description of Risk Exposures:

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

- Salary increase:** Actual salary increases will increase plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- 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.
- Discount rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 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**

	As at	As at
	March 31, 2022	March 31, 2021
Less than 1 year	1.61	0.56
Between 2-5 years	13.05	10.41
Between 6-10 years	29.28	26.95
Over 10 years	547.35	515.54
Total	591.29	553.46

The weighted average duration of the defined benefit plan obligation at March 31, 2022 is 18 to 19 years (March 31, 2021: 19 to 20 years).

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49 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)								
HDFC Bank Limited	Loan 1	1,000.00	7.50%	64	January 7, 2018	255.80	473.42	610.10
HDFC Bank Limited	Loan 2	1,500.00	7.80%	64 (including 6 months moratorium)	May 7, 2018	537.22	883.28	1,098.99
HDFC Bank Limited	Loan 3	2,538.78	8.10%	86	July 7, 2019	1,831.68	2,163.71	2,337.57
HDFC Bank Limited	Loan 4	2,470.00	7.50%	60 (including 12 months moratorium)	March 7, 2022	2,437.49	2,481.95	-
Axis Bank Limited	Loan 5	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 6	471.00	Repo + 3.75%	48 (including 12 months moratorium)	September 30, 2021	379.41	474.32	-
Axis Bank Limited	Loan 7	2,100.00	Repo + 3.75%	72 (including 12 months moratorium)	April 1, 2022	2,103.12	612.11	-
Axis Bank Limited	Loan 8	626.00	Repo + 3.75%	60 (including 24 months moratorium)	November 30, 2023	626.00	-	-
HDFC Bank Limited	Loan 26	3,850.00	8.00%	84	October 30, 2022	2,531.34	-	-
Total term loans from banks						11,684.92	8,249.28	5,379.62
Secured vehicle loans from banks (refer footnote II & IV)								
Axis Bank Limited	Loan 9	10.00	9.01%	60	August 10, 2017	-	3.10	5.22
HDFC Bank Limited	Loan 10	20.59	8.50%	60	March 7, 2018	4.47	8.98	13.12
HDFC Bank Limited	Loan 11	18.28	9.25%	60	September 5, 2018	6.20	9.95	13.46
HDFC Bank Limited	Loan 12	10.00	9.50%	60	July 7, 2019	5.12	7.07	8.84
IDFC First Bank Limited	Loan 13	40.00	9.98%	60	November 2, 2021	37.37	-	-
HDFC Bank Limited	Loan 14	10.05	7.50%	36	December 7, 2021	9.23	-	-
HDFC Bank Limited	Loan 15	10.29	9.10%	60	December 5, 2018	3.99	6.10	8.04
HDFC Bank Limited	Loan 16	8.67	8.30%	84	September 7, 2020	7.16	8.17	-
IDFC First Bank Limited	Loan 17	35.00	9.98%	60	November 2, 2021	32.96	-	-
Total vehicle loans from banks						106.50	43.37	48.68
Secured vehicle loans from financial institutions (refer footnote II & IV)								
Toyota Financial Services	Loan 18	31.22	10.81%	60	August 20, 2015	-	-	2.02
Total vehicle loans from financial institutions						-	-	2.02
Unsecured loans (refer footnote VI)								
From related parties						1,681.43	1,463.48	2,338.37
From others						-	266.88	1,810.33
Privately placed non-cumulative redeemable preference shares (refer footnote VI)						618.33	547.36	90.70
Total non-current borrowings						14,071.18	10,670.37	9,669.72

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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
Current								
Working capital demand loans from banks								
HDFC Bank Limited	Loan 19	8,100.00	8.00%	Repayable on Demand	NA	8,073.00	-	-
Industrial Bank Limited	Loan 20	6,000.00	8.45%	Repayable on Demand	NA	5,500.00	-	-
YES Bank Limited (refer footnote iii)	Loan 21	2,000.00	1 month MCLR + 0.15%	Repayable on Demand	NA	1,000.00	-	-
Total Working capital demand loans from banks						14,573.00	-	-
Cash credits from banks								
HDFC Bank Limited	Loan 22	5,400.00	8.00%	Repayable on Demand	NA	5,060.27	7,453.74	8,062.25
Axis Bank Limited (refer footnote i)	Loan 23	5,100.00	Repo + 3.50%	Repayable on Demand	NA	4,984.83	1,868.12	838.44
Total Cash credits from banks						10,045.20	9,321.86	8,900.69
Bills discounted under LC								
HDFC Bank Limited	Loan 24	2,700.00		Repayable on Demand	NA	2,689.08	2,693.11	2,686.68
Total Bills discounted under LC						2,689.08	2,693.11	2,686.68
Bills discounted under TRADS								
RXIL	Loan 25	1,500.00		Repayable on Demand	NA	1,430.52	-	-
Total Bills discounted under TRADS						1,430.52	-	-
Total Current Borrowings						28,737.80	12,014.97	11,587.37
Total Borrowings						42,808.98	22,585.14	21,257.09

Footnotes:

(ii) 1. Security given for loans to HDFC Bank Limited is as follows (Loans 1, 2, 3, 4, 19, 22 & 24):

Primary:

- Hypothecation of Inventories and trade receivables of the company 'A-One Steel and Alloys Private Limited'.
- Fixed deposits of the company 'A-One Steel and Alloys Private Limited' held with HDFC Bank Limited

Collateral:

- Movable fixed assets of the company 'A-One Steel and Alloys Private Limited'
- Mortgage of various immovable properties held in the name of the company 'A-One Steel and Alloys Private Limited' & Guarantors

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Personal Guarantees:

- Sunil Jallan - Director
- Sandeep Kumar - Director
- Krishan Kumar Jallan
- Priya Jallan
- Mona Jallan
- Daya Jallan
- Rakesh Jallan

2. Security given for loans to Axis Bank Limited is as follows (Loans 5, 6, 7, 8 & 23):

Primary:

Cash credit (CC)

- Hypothecation of entire current assets of the company 'Vanya Steels Private Limited'

Term loans

- Equitable Mortgage of all piece and parcel of factory land Plot No. Sy No. 57-62 Village Herbaganal 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 of Vanya Steels Private Limited' reimbursed by way of disbursement of the term loan.

Collateral:

- 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 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 Herbaganal 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 'Vanya Steels Private Limited'.

Personal Guarantees:

- Sunil Jallan - Director
- Sandeep Kumar - Director

Corporate Guarantees:

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

3. Security given for loans to HDFC Bank Limited (Loan 26)

Security details:

Fixed deposit of the company 'A-One Gold Pipes And Tubes Private Limited' is taken as DSRA comfort for one quarter.

Exclusive charge on plant and machinery of the company 'A-One Gold Pipes And Tubes Private Limited'.

Equitable mortgage of land and factory situated at survey no. 108A1, 109 A/1, 109N2, 109B/A, 109B/2, 109C/1 and 109C/2 Shidigna Mola Village, Bellary Taluk - 583111 held by the company 'A-One Gold Pipes And Tubes Private Limited'.

Corporate Guarantees:

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

Personal Guarantees:

- Sunil Jallan - Director
- Sandeep Kumar - Director



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(ii) Security for vehicle loans from banks and financial institutions (from Loans 9 to 18)
Vehicle loans from HDFC Bank Limited, Axis Bank Limited, IDFC First Bank Limited and Toyota Financial Services are secured by way of Hypothecation of the Vehicles financed by the lender.

(iii) Security given for working capital demand loans to Industrial Bank Limited (Loan 20)

Security details:

- 1st charge Pari Passu on current assets and moveable fixed assets of the company 'A-One Steel and Alloys Private Limited along with HDFC Bank.
- 1st charge Pari Passu by way of mortgage of various immovable properties held in the name of the company 'A-One Steel and Alloys Private Limited' & Guarantors along with HDFC Bank
- Exclusive charge by way of lien on FD of Rs. 600 00 Lacs of the company 'A-One Steel and Alloys Private Limited'

Personal Guarantee:

- Sunil Jallan - Director
- Sandeep Kumar - Director

Corporate Guarantee:

- A One Steels India Private Limited

Security given for working capital demand loans to YES Bank Limited (Loan 21)

Security details:

- 1st charge Pari Passu by way of Hypothecation on Plant and Machinery (All MFA) valuing INR 171.5 Million.
- 1st charge Pari Passu by way of Hypothecation on Current Assets of the company 'Vanya Steels Private Limited'
- 1st charge Pari Passu by way of Equitable Mortgage of non-agricultural land situated Koppal District in Hirabaganal Village, Koppal Taluk in Survey No. 52/A, 52/B, 53, 54, 55, 48, 58 & 45/A in the name of the company 'Vanya Steels Private Limited'
- 2nd charge Pari Passu by way of Equitable Mortgage factory land Plot No. Sy No. 57-52 Village Hirbaganal Taluk, Koppal District, Karnataka - 583228 in the name of the company 'Vanya Steels Private Limited'

Personal Guarantee:

- Sunil 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 are initially recorded at fair value and subsequently measured at amortised cost in accordance with Ind AS 109.

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50 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	10,975.75	7,633.10
Additions on account of new lease contracts entered into during the year	-	181.91
Finance cost accrued during the year	928.35	833.72
Payment of lease liabilities*	(1,238.64)	(734.77)
Modifications in lease liabilities due to change in lease term	-	3,061.79
Closing balance	10,665.46	10,975.75

*Payment of lease liabilities includes payment of principal of lease liabilities amounting of ₹ 314.29 Lacs (previous year: ₹ 334.59 Lacs) and interest of lease liabilities amounting of ₹ 924.35 Lacs (previous year: ₹ 400.18 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	126.72	371.61	399.87
Non-current lease liabilities	10,538.74	10,604.14	7,233.23
	10,665.46	10,975.75	7,633.10

(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	1,049.68	922.96	126.72
- later than one year and not later than five years	4,069.14	3,609.80	459.34
- later than five years	22,216.76	12,137.37	10,079.39
	27,335.58	16,670.13	10,665.45
	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	1,299.96	928.35	371.61
- later than one year and not later than five years	4,026.78	3,646.21	380.57
- later than five years	23,247.49	13,023.92	10,223.57
	28,574.23	17,598.48	10,975.75
	As at April 1, 2020		
	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	1,045.52	645.65	399.87
- later than one year and not later than five years	4,358.02	2,566.27	1,791.75
- later than five years	8,038.53	2,597.05	5,441.48
	13,442.07	5,808.97	7,633.10

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(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	444.28	490.01
Finance costs on lease liabilities	928.35	833.72
	1,372.63	1,323.73

(v) Amount recognised in statement of cash flows

Cash flow from financing activities

Payment of lease liabilities

	For the year ended March 31, 2022	For the year ended March 31, 2021
	1,238.64	734.77
	1,238.64	734.77

(vi) For reconciliation of carrying amount of right-of-use assets and details thereof refer note 5.

2. Exempted leases

The Group has recognised ₹ 223.10 Lacs as rent expenses during the year (previous year ₹ 40.75 Lacs) which pertains to short term lease/ low value asset which was not recognised as part of right of use asset.

B. Leases as a lessor

1. Operating leases

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income from assets given on operating lease	4.50	1.31
	4.50	1.31

(ii) Maturity analysis of lease receivables

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

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Not later than one year	4.50	4.50	-
1-2 years	4.50	4.50	-
2-3 years	4.50	4.50	-
3-4 years	3.00	4.50	-
4-5 years	-	3.00	-
	16.50	21.00	-

Footnote:

The Group has sub-leased a part of its head office building situated at A-One House, No. 326, CQAL Layout, Ward No. 8, Sahakar Nagar, Bengaluru, Karnataka - 560092 to following companies:

1. Aaryan Hitech Steels India Private Limited
2. A One Steels India Private Limited

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51 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

Enterprises in which KMP and their relatives are able to exercise significant influence	A One Steels India Private Limited	
	Aaryan Hitech Steels India Private Limited	
	Ambe Metals	
Key Management Personnel (KMP)	Sunil Jallan	Whole Time Director
	Sandeep Kumar	Director
	Manoj Kumar	Director
	Pooja Sara Nagaraja	Company Secretary
Relatives of KMPs	Mona Jallan	Wife of Director
	Krishan Kumar Jallan	Father of Whole Time Director
	Priya Jallan	Wife of Whole Time 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 Steels India Private Limited	23,337.74	10,402.38
Purchase of goods		
A One Steels India Private Limited	17,056.56	9,413.10
Purchase of property, plant and equipment		
A One Steels India Private Limited	4.71	-
Rental income		
A One Steels India Private Limited	3.00	0.88
Aaryan Hitech Steels India Private Limited	1.50	0.44
Interest expenses on borrowings		
Sunil Jallan	55.85	374.95
Sandeep Kumar	95.47	82.57
Ambe Metals	-	29.19
Interest expenses on lease liabilities		
Aaryan Hitech Steels India Private Limited	347.36	356.30
Sandeep Kumar	7.80	2.42
Mona Jallan	7.80	2.42
Short term employee benefits		
Pooja Sara Nagaraja	8.40	7.20
Employee benefits paid		
Pooja Sara Nagaraja	8.35	7.19
Borrowings taken		
Sunil Jallan	533.00	571.22
Sandeep Kumar	1,216.00	1,489.15
Priya Jallan	0.55	-
Borrowings repaid		
Sunil Jallan	190.69	1,583.21
Sandeep Kumar	1,382.34	1,571.03
Priya Jallan	0.55	-
Ambe Metals	-	267.75
Payment of lease liabilities		
Aaryan Hitech Steels India Private Limited	457.16	669.15
Sandeep Kumar	6.72	2.92
Mona Jallan	6.72	2.92

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Corporate guarantee given		
A One Steels India Private Limited	-	2,873.90
Corporate guarantee taken		
A One Steels India Private Limited	13,700.00	2,470.00
Personal guarantee taken		
Sunil Jallan	24,247.00	5,970.00
Sandeep Kumar	24,247.00	5,970.00

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
Unsecured borrowings			
Ambe Metals	-	-	238.56
Sunil Jallan	986.95	698.12	1,335.15
Sandeep Kumar	694.48	765.36	764.66
Lease liabilities			
Aaryan Hitech Steels India Private Limited	3,937.93	4,047.72	4,360.57
Sandeep Kumar	91.53	90.46	-
Mona Jallan	91.53	90.46	-
Advance from customers			
A One Steels India Private Limited	60.80	-	305.69
Payable for capital goods			
A One Steels India Private Limited	5.58	-	-
Director remuneration payable			
Sunil Jallan	4.71	-	-
Salary payable			
Pooja Sara Nagaraja	0.58	0.51	0.50
Trade receivables			
A One Steels India Private Limited	1,018.12	270.60	-
Trade payables/ Advance from customers			
A One Steels India Private Limited	-	902.30	1,514.61
Corporate guarantee given			
A One Steels India Private Limited	2,873.90	2,873.90	-
Corporate guarantee taken			
A One Steels India Private Limited	32,680.00	18,980.00	16,510.00
Personal guarantee taken			
Sunil Jallan	49,227.00	24,980.00	19,010.00
Sandeep Kumar	49,227.00	24,980.00	19,010.00

D. Compensation of Key Managerial Personnel

The compensation of directors and other member of Key Managerial Personnel during the year was as follows:

Name of KMP	Nature of Compensation	For the year ended March 31, 2022	For the year ended March 31, 2021
Sunil Kumar Jallan	Short term employee benefits	60.00	60.00
		<u>60.00</u>	<u>60.00</u>

E. Terms and Conditions

- For terms and conditions of non-current and current borrowings, refer note 22 and 28 respectively.
- 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 related companies and promoter group respectively.
- No guarantee fees have been received for corporate guarantee given to related companies.
- For terms and conditions of leases, refer note 50.

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52 Operating segments

A. Basis for Segmentation

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group'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 Group's performance from business activities perspective and have identified the following reportable segments of its business:

Reportable segments

Manufacturing
Trading

Operations

Iron and steel products
Coal, Iron and steel products

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 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	2,00,424.05	63,261.82	2,63,685.87
Segment results	21,193.00	1,732.34	22,925.34
Segment assets	89,881.36	1,592.57	91,473.93
Segment liabilities	24,714.04	2,361.34	27,075.38

For the year ended March 31, 2021	Reportable Segments		
	Manufacturing	Trading	Total
Segment revenue - revenue from external customers	1,12,552.74	53,082.81	1,65,635.55
Segment results	13,898.73	210.63	14,109.36
Segment assets	49,674.00	9,084.39	58,758.39
Segment liabilities	18,496.18	4,993.56	23,489.74

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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
Total revenue for reportable segments		
Manufacturing	2,00,424.05	1,12,552.74
Trading	63,261.82	53,082.81
	<u>2,63,685.87</u>	<u>1,65,635.55</u>

(ii) Total comprehensive income

Total profit before tax for reportable segments
Manufacturing
Trading

	For the year ended March 31, 2022	For the year ended March 31, 2021
Total profit before tax for reportable segments		
Manufacturing	21,193.00	13,898.73
Trading	1,732.34	210.63
	<u>22,925.34</u>	<u>14,109.36</u>

Other income
Unallocated expenses:
Finance costs
Employee benefit expense
Depreciation and amortisation expense
Other expenses

Other income	469.18	841.17
Finance costs	3,194.08	3,310.22
Employee benefit expense	2,061.78	1,234.16
Depreciation and amortisation expense	1,872.30	1,821.74
Other expenses	4,345.02	2,215.31

Profit/(Loss) before exceptional items and tax

Profit/(Loss) before exceptional items and tax	<u>11,921.34</u>	<u>6,369.10</u>
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Less: Exceptional items

Less: Exceptional items	-	-
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Profit/(Loss) before tax

Profit/(Loss) before tax	<u>11,921.34</u>	<u>6,369.10</u>
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Tax expenses

Tax expenses	3,013.82	1,632.14
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Profit/(Loss) after tax

Profit/(Loss) after tax	<u>8,907.52</u>	<u>4,736.96</u>
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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
- Income tax relating to these items

- Remeasurement of equity instruments	-	-
- Remeasurement of defined benefit plans	54.52	21.10
- Income tax relating to these items	(13.72)	(5.31)

Items that will be reclassified to profit or loss

- Foreign currency translation reserve
- Effective portion of cash flow hedge
- Income tax relating to these items

- Foreign currency translation reserve	-	-
- Effective portion of cash flow hedge	-	-
- Income tax relating to these items	-	-

Total comprehensive income

Total comprehensive income	<u>8,948.32</u>	<u>4,752.75</u>
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(iii) Assets

Total assets for reportable segments

Manufacturing
Trading

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total assets for reportable segments			
Manufacturing	89,881.36	49,674.00	41,957.17
Trading	1,592.57	9,084.39	6,816.67

Unallocated assets

Investments in subsidiaries, associates and joint ventures

Investments

Other financial assets (non-current)

Non-current tax assets (net)

Cash and cash equivalents

Bank balances other than cash and cash equivalents

Loans (current)

Other financial assets (current)

Other current assets

Investments in subsidiaries, associates and joint ventures	0.08	0.08	0.08
Investments	1,249.71	50.49	49.31
Other financial assets (non-current)	2,484.42	2,306.34	2,307.36
Non-current tax assets (net)	102.71	56.71	56.71
Cash and cash equivalents	2,726.92	2,576.73	43.79
Bank balances other than cash and cash equivalents	1,889.90	1,047.11	907.30
Loans (current)	30.73	28.15	17.92
Other financial assets (current)	728.90	425.57	291.56
Other current assets	1,517.87	883.82	652.63

Total assets

Total assets	<u>1,02,205.17</u>	<u>66,133.39</u>	<u>53,100.50</u>
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(iv) Liabilities

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total liabilities for reportable segments			
Manufacturing	24,714.04	18,496.18	18,289.86
Trading	2,361.34	4,993.56	3,259.67
Unallocated liabilities			
Lease liabilities (non-current)	10,538.74	10,604.14	7,233.23
Other financial liabilities (non-current)	1,949.87	-	-
Provisions (non-current)	128.35	126.10	95.60
Deferred tax liabilities	247.98	513.80	230.15
Other non-current liabilities	3,524.46	1,771.78	3,679.96
Borrowings (current)	31,429.42	13,337.17	12,944.77
Lease liabilities (current)	126.72	371.60	399.87
Other financial liabilities (current)	1,333.76	593.60	467.30
Other current liabilities	1,148.37	1,125.72	180.59
Provisions (current)	28.58	24.57	19.27
Current tax liabilities (net)	1,999.65	449.60	79.41
	79,531.28	52,407.82	46,879.68

D. Geographic information

(i) Revenues from different geographies

	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	2,48,545.12	1,62,612.18
Outside India	15,140.75	3,023.37
	2,63,685.87	1,65,635.55

(ii) Non-current assets*

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Within India	33,699.71	25,650.17	22,308.59
Outside India	-	-	-
	33,699.71	25,650.17	22,308.59

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

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53 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	1,249.71	-	1,249.71	-	-	1,249.71
Other financial assets	-	2,484.42	2,484.42	-	-	-
Current						
Trade receivables	-	19,304.79	19,304.79	-	-	-
Cash and cash equivalents	-	2,726.92	2,726.92	-	-	-
Other bank balances	-	1,889.90	1,889.90	-	-	-
Loans	-	30.73	30.73	-	-	-
Other financial assets	-	728.90	728.90	-	-	-
Total	1,249.71	27,165.66	28,415.37	-	-	1,249.71
Financial liabilities						
Non-current						
Borrowings	-	11,379.56	11,379.56	-	-	-
Lease liabilities	-	10,538.74	10,538.74	-	-	-
Other financial liabilities	-	1,949.87	1,949.87	-	-	-
Current						
Borrowings	-	31,429.42	31,429.42	-	-	-
Lease liabilities	-	126.72	126.72	-	-	-
Trade payables	-	12,642.09	12,642.09	-	-	-
Other financial liabilities	-	1,333.76	1,333.76	-	-	-
Total	-	69,400.16	69,400.16	-	-	-

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A-One Steel and Alloys Private Limited
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Notes to the consolidated financial statements for the year ended March 31, 2022
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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	50.49	-	50.49	-	-	50.49
Other financial assets	-	2,306.34	2,306.34	-	-	-
Current						
Trade receivables	-	13,743.84	13,743.84	-	-	-
Cash and cash equivalents	-	2,576.73	2,576.73	-	-	-
Other bank balances	-	1,047.11	1,047.11	-	-	-
Loans	-	28.15	28.15	-	-	-
Other financial assets	-	425.57	425.57	-	-	-
Total	50.49	20,127.74	20,178.23	-	-	50.49
Financial liabilities						
Non-current						
Borrowings	-	9,247.97	9,247.97	-	-	-
Lease liabilities	-	10,604.14	10,604.14	-	-	-
Other financial liabilities	-	-	-	-	-	-
Current						
Borrowings	-	13,337.17	13,337.17	-	-	-
Lease liabilities	-	371.60	371.60	-	-	-
Trade payables	-	10,668.92	10,668.92	-	-	-
Other financial liabilities	-	593.60	593.60	-	-	-
Total	-	44,823.40	44,823.40	-	-	-

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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	49.31	-	49.31	-	-	49.31
Other financial assets	-	2,307.36	2,307.36	-	-	-
Current						
Trade receivables	-	14,272.55	14,272.55	-	-	-
Cash and cash equivalents	-	43.79	43.79	-	-	-
Other bank balances	-	907.30	907.30	-	-	-
Loans	-	17.92	17.92	-	-	-
Other financial assets	-	291.56	291.56	-	-	-
Total	49.31	17,840.48	17,889.79	-	-	49.31
Financial liabilities						
Non-current						
Borrowings	-	8,312.32	8,312.32	-	-	-
Lease liabilities	-	7,233.23	7,233.23	-	-	-
Other financial liabilities	-	-	-	-	-	-
Current						
Borrowings	-	12,944.77	12,944.77	-	-	-
Lease liabilities	-	399.87	399.87	-	-	-
Trade payables	-	9,140.53	9,140.53	-	-	-
Other financial liabilities	-	467.30	467.30	-	-	-
Total	-	38,498.02	38,498.02	-	-	-

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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 Group 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	As at	As at
	March 31, 2022	March 31, 2021	April 1, 2020
Investments	1,249.71	50.49	49.31
Trade receivables	19,304.79	13,743.84	14,272.55
Cash and cash equivalents	2,726.92	2,576.73	43.79
Bank balances other than cash and cash equivalents	1,889.90	1,047.11	907.30
Loans	30.73	28.15	17.92
Other financial assets	3,213.32	2,731.91	2,598.92

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

The Group's credit risk is primarily to the amount due from customers and loans. The Group 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 Group 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 Group does monitor the economic environment in which it operates and the Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group 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 Group estimates amounts based on the business environment in which the Group 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 Group 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 ₹ 19,912.02 Lacs (March 31, 2021: ₹ 14,085.92 Lacs and April 1, 2020: ₹ 14,494.09 Lacs). Trade receivables are generally realised within the credit period.

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

Particulars	As at	As at	As at
	March 31, 2022	March 31, 2021	April 1, 2020
Not due	-	-	-
0-180 days past due	17,814.78	13,239.81	12,680.75
180-365 days	313.73	210.48	1,538.17
365-730 days	1,234.11	477.72	170.60
More than 730 days	549.40	157.91	104.57
Total	19,912.02	14,085.92	14,494.09

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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	342.08	221.54
Impairment loss recognised	265.15	123.17
Impairment loss utilised	-	(2.63)
Balance at the end	607.23	342.08

(ii). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group believes that its liquidity position of ₹ 2,726.92 Lacs as at March 31, 2022 (March 31, 2021: ₹ 2,576.73 Lacs and April 1, 2020: ₹ 43.79 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 Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from Group companies to meet its liquidity requirements in the short and long term.

The Group'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 Group'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			Total
		Less than one year	Between one to five years	More than five years	
Borrowings	42,808.98	31,429.42	11,379.56	-	42,808.98
Lease liabilities	10,665.45	126.72	459.34	10,079.39	10,665.45
Trade payables	12,642.09	12,642.09	-	-	12,642.09
Other financial liabilities	3,283.63	1,333.76	1,949.87	-	3,283.63
Total	69,400.15	45,531.99	13,788.77	10,079.39	69,400.15

As at March 31, 2021	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one to five years	More than five years	
Borrowings	22,585.14	13,337.17	9,058.07	189.90	22,585.14
Lease liabilities	10,975.74	371.60	380.57	10,223.57	10,975.74
Trade payables	10,668.92	10,668.92	-	-	10,668.92
Other financial liabilities	593.60	593.60	-	-	593.60
Total	44,823.40	24,971.29	9,438.64	10,413.47	44,823.40

As at April 1, 2020	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one to five years	More than five years	
Borrowings	21,257.09	12,944.77	7,727.43	584.89	21,257.09
Lease liabilities	7,633.10	399.87	1,791.75	5,441.48	7,633.10
Trade payables	9,140.53	9,140.53	-	-	9,140.53
Other financial liabilities	467.30	467.30	-	-	467.30
Total	38,498.02	22,952.47	9,519.18	6,026.37	38,498.02

(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 Group 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.

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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 Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

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

Variable-rate instruments

Term loans from banks
Working capital demand loans from banks
Cash credits from banks
Bills discounted under LC
Bills discounted under TReDS
Total

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
11,664.92	8,249.28	5,379.62	
14,573.00	-	-	
10,045.20	9,321.86	8,890.69	
2,689.08	2,693.11	2,696.68	
1,430.52	-	-	
40,402.72	20,264.25	16,966.99	

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.

Term loans from banks

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

Working capital demand loans from banks

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

Cash credits from banks

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

Bills discounted under LC

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

Bills discounted under TReDS

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

	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
(58.32)	58.32	(43.65)	43.65	
(41.25)	41.25	(30.87)	30.87	
(72.87)	72.87	(54.53)	54.53	
-	-	-	-	
(50.23)	50.23	(37.59)	37.59	
(46.61)	46.61	(34.88)	34.88	
(13.45)	13.45	(10.06)	10.06	
(13.47)	13.47	(10.08)	10.08	
(7.15)	7.15	(5.35)	5.35	
-	-	-	-	

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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 Group 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 Group's operating, investing and financing activities.

Exposure to foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Denomination	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
		Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Receivables							
Trade receivables		10.28	779.34	-	-	-	-
Unhedged receivables			779.34	-	-	-	-
Payables							
Trade payables	USD	2.46	186.84	-	-	-	-
Unhedged payables			186.84	-	-	-	-
Net unhedged foreign currency exposure			592.50	-	-	-	-

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 0.5% increase and decrease in the INR (₹) against USD and EUR. 0.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.5% change in foreign currency rates. In case of net foreign currency outflow, a positive number below indicates an increase in profit or equity where the ₹ strengthens 0.5% against the relevant currency. For a 0.5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative. In case of net foreign currency inflow, a positive number below indicates an increase in profit or equity where the ₹ weakens 0.5% against the relevant currency. For a 0.5% strengthening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

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55 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	3,293.06	1,359.12
Income tax for earlier years	0.31	-
Deferred tax expense		
Change in recognised temporary differences	(279.55)	273.02
	<u>3,013.82</u>	<u>1,632.14</u>

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	54.52	13.72	40.80
	<u>54.52</u>	<u>13.72</u>	<u>40.80</u>
	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	21.10	5.31	15.79
	<u>21.10</u>	<u>5.31</u>	<u>15.79</u>

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%	11,921.34	25.17%	6,369.10
Tax using the Group's domestic tax rate		3,000.36		1,602.98
Tax effect of:				
Finance costs on unsecured loans		46.47		167.78
Finance income on deferred fair value gain on account of unsecured loans		(48.28)		(172.64)
Finance costs on preference shares		17.86		4.08
Finance income on deferred fair value gain on account of preference shares		(29.14)		(6.83)
Expenditures disallowed under the Income Tax Act		53.98		38.72
Tax losses		0.49		1.56
Deductible temporary differences		0.04		0.02
Prior period expenses		-		0.02
Other adjustments		(27.97)		(3.54)
		<u>3,013.81</u>		<u>1,632.15</u>

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				
Trade receivables	86.10	66.73	-	152.83
Unabsorbed losses	3.08	92.46	-	95.54
Provisions for employee benefits	37.92	15.30	(13.72)	39.50
Elimination of inventory profit	6.56	80.84	-	87.40
Leases	92.83	114.69	-	207.52
Contract liability as per Ind AS 115	9.74	3.58	-	13.32
Expenditure disallowed under Income Tax Act	-	56.02	-	56.02
Security deposits	1.99	(1.49)	-	0.50
Sub- Total (a)	<u>238.22</u>	<u>428.13</u>	<u>(13.72)</u>	<u>652.63</u>
Deferred tax liabilities				
Property, plant & equipment	743.26	150.45	-	893.71
Intangible assets	-	1.04	-	1.04
Borrowings	8.76	(2.91)	-	5.85
Sub- Total (b)	<u>752.02</u>	<u>148.58</u>	<u>-</u>	<u>900.60</u>
Deferred tax liabilities (net) (b) - (a)	<u>513.80</u>	<u>(279.55)</u>	<u>13.72</u>	<u>247.97</u>

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Movement in deferred tax balances

	As at April 1, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
Deferred tax assets				
Trade receivables	55.76	30.34	-	86.10
Unabsorbed losses	366.73	(363.65)	-	3.08
Provisions for employee benefits	28.90	14.33	(5.31)	37.92
Elimination of inventory profit	0.90	5.66	-	6.56
Leases	-	92.83	-	92.83
Contract liability as per Ind AS 115	-	9.74	-	9.74
Security deposits	-	1.99	-	1.99
MAT credit	5.32	(5.32)	-	-
Sub- Total (a)	457.61	(208.76)	(5.31)	238.22
Deferred tax liabilities				
Property, plant & equipment	682.52	60.74	-	743.26
Borrowings	5.24	3.52	-	8.76
Sub- Total (b)	687.76	64.26	-	752.02
Deferred tax liabilities (net) (b) - (a)	230.15	273.02	5.31	513.80

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56 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	1.25	1.26	-1.07%	Less than 25%
b)	Debt equity ratio (in times) Debt / Shareholders' equity	1.89	1.65	14.74%	Less than 25%
c)	Debt service coverage ratio (in times) Earnings available for debt services / (Repayment of borrowings + Interest)	27.81	4.96	460.23%	Refer footnote C(i)
d)	Return on Equity Ratio (%) Profit/(loss) after taxes / Total equity	39.29%	34.51%	13.83%	Less than 25%
e)	Return on Capital Employed Ratio (Pre tax) (%) Earning before interest & tax / Capital employed	44.39%	42.13%	5.35%	Less than 25%
f)	Return on Investments Ratio (Post tax) (%) Profit after tax / Total assets	8.72%	7.16%	21.68%	Less than 25%
g)	Net profit ratio (%) Net profit / Revenue from operations	3.38%	2.86%	18.12%	Less than 25%
h)	Inventory Turnover Ratio (in times) Cost of Goods Sold / Average Inventory	10.45	10.72	-2.47%	Less than 25%
i)	Trade Receivable Turnover Ratio (in times) Credit sales / Average trade receivables	15.94	11.82	34.86%	Refer footnote C(ii)
j)	Trade payables turnover ratio (in times) Credit purchases / Average trade payables	19.05	14.00	36.06%	Refer footnote C(iii)
k)	Net capital Turnover Ratio (in times) Revenue from operations / Average working capital	25.12	36.45	-31.07%	Refer footnote C(iv)



A-One Steel and Alloys Private Limited
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(All amount are in ₹ Lacs, unless otherwise stated)

(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 service coverage ratio has been increased on account of increase in earnings availables for debt services 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.
- (iv). Net capital turnover ratio has been decreased on account of increase in average working capital in current financial year.



57 First time adoption of Ind AS

The Group has prepared its first Consolidated 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 Group 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 Group'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 Group'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 group'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 Group 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 Group 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 group 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 Group 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 Group 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.

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

(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.

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group has elected to apply Ind AS 103 prospectively to Business Combinations.

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		14,199.71	-	14,199.71
Right-of-use assets	(a)	114.51	7,536.78	7,651.29
Capital work-in-progress		85.73	-	85.73
Goodwill		0.08	-	0.08
Financial assets				
Investments		49.31	-	49.31
Other financial assets	(b)	2,328.96	(21.60)	2,307.36
Non-current tax assets (net)		56.71	-	56.71
Other non-current assets	(b)	295.88	19.27	315.15
		17,130.89	7,534.45	24,665.34
Current assets				
Inventories	(n)	10,052.70	(3.57)	10,049.13
Financial assets				
Trade receivables	(c)	14,466.18	(193.63)	14,272.55
Cash and cash equivalents		43.79	-	43.79
Bank balances other than cash and cash equivalents		907.30	-	907.30
Loans		17.92	-	17.92
Other financial assets		291.56	-	291.56
Current tax asset (net)		43.84	-	43.84
Other current assets	(b)	2,806.74	2.33	2,809.07
		28,630.03	(194.87)	28,435.16
		45,760.92	7,339.58	53,100.50

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Equity and Liabilities

Equity

Equity share capital		900.00	-	900.00
Other equity	(k) & (n)	5,433.20	(112.38)	5,320.82
Minority Interest		279.00	(279.00)	-
		<u>6,612.20</u>	<u>(391.38)</u>	<u>6,220.82</u>

Liabilities

Non-current liabilities

Financial liabilities				
Borrowings	(d) & (e)	9,428.30	(1,115.98)	8,312.32
Lease liabilities	(a)	-	7,233.23	7,233.23
Other financial liabilities	(b)	-	-	-
Provisions		95.60	-	95.60
Deferred tax liabilities (net)	(i) & (n)	257.76	(27.61)	230.15
Other non-current liabilities	(e)	2,305.81	1,374.15	3,679.96
		<u>12,087.47</u>	<u>7,463.79</u>	<u>19,551.26</u>

Current liabilities

Financial liabilities				
Borrowings		12,944.77	-	12,944.77
Lease liabilities	(a)	96.32	303.55	399.87
Trade payables		9,140.53	-	9,140.53
Other financial liabilities	(g)	446.37	20.93	467.30
Other current liabilities	(a)	4,334.58	(57.31)	4,277.27
Provisions		19.27	-	19.27
Current tax liabilities (net)		79.41	-	79.41
		<u>27,061.25</u>	<u>267.17</u>	<u>27,328.42</u>
		<u>45,760.92</u>	<u>7,339.58</u>	<u>53,100.50</u>

* 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		13,329.90	-	13,329.90
Right-of-use assets	(a)	114.51	10,290.47	10,404.98
Capital work-in-progress		612.64	-	612.64
Goodwill on Consolidation		0.08	-	0.08
Financial assets				
Investments		50.49	-	50.49
Loans		-	-	-
Other financial assets	(b)	2,345.92	(39.58)	2,306.34
Non-current tax assets (net)		56.71	-	56.71
Other non-current assets	(b)	1,210.16	35.78	1,245.94
		<u>17,720.41</u>	<u>10,286.67</u>	<u>28,007.08</u>

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Current assets

Inventories	(n)	16,839.51	(26.04)	16,813.47
Financial assets				
Trade receivables	(c) & (n)	14,052.00	(308.16)	13,743.84
Cash and cash equivalents		2,576.73	-	2,576.73
Bank balances other than cash and cash equivalents		1,047.11	-	1,047.11
Loans		28.15	-	28.15
Other financial assets		425.57	-	425.57
Current tax assets (net)		46.00	-	46.00
Other current assets	(b)	3,442.52	2.92	3,445.44
		38,457.59	(331.28)	38,126.31
		56,178.00	9,955.39	66,133.39

Equity and Liabilities**Equity**

Equity share capital		1,300.00	-	1,300.00
Other equity	(k)	12,855.77	(430.20)	12,425.57
Minority Interest		1,689.00	(1,689.00)	-
		15,844.77	(2,119.20)	13,725.57

Liabilities**Non-current liabilities**

Financial liabilities				
Borrowings	(d) & (e)	9,296.55	(48.58)	9,247.97
Lease liabilities	(a)	-	10,604.14	10,604.14
Other financial liabilities	(b)	-	-	-
Provisions		126.10	-	126.10
Deferred tax liabilities (net)	(i) & (n)	697.46	(183.66)	513.80
Other non-current liabilities	(e)	99.15	1,672.63	1,771.78
		10,219.26	12,044.53	22,263.79

Current liabilities

Financial liabilities				
Borrowings	(g)	13,336.99	0.18	13,337.17
Lease liabilities	(a)	316.58	55.02	371.60
Trade payables		10,668.92	-	10,668.92
Other financial liabilities		594.06	(0.46)	593.60
Other current liabilities	(a) & (h)	4,723.25	(24.68)	4,698.57
Provisions		24.57	-	24.57
Current tax liabilities (net)		449.60	-	449.60
		30,113.97	30.06	30,144.03
		56,178.00	9,955.39	66,133.39

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

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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) & (n)	1,65,706.71	(71.16)	1,65,635.55
Other income	(b) & (e)	128.39	712.78	841.17
Total Income		1,65,835.10	641.62	1,66,476.72
Expenses				
Cost of materials consumed	(n)	1,45,397.23	62.99	1,45,460.22
Changes in inventories of stock-in-trade, finished goods and work-in-progress	(n)	(1,434.62)	(72.98)	(1,507.60)
Employee benefit expense	(f)	1,213.06	21.10	1,234.16
Finance costs	(a), (d) & (e)	1,807.44	1,502.78	3,310.22
Depreciation and amortisation expense	(a)	1,331.73	490.01	1,821.74
Other expenses	(a), (b), (c) & (g)	10,656.19	(867.31)	9,788.88
Total Expenses		1,58,971.03	1,136.59	1,60,107.62
Profit/(Loss) before exceptional items and tax		6,864.07	(494.97)	6,369.10
Less: Exceptional items		-	-	-
Profit/(Loss) before tax		6,864.07	(494.97)	6,369.10
Tax expenses				
Current tax		1,359.12	-	1,359.12
Deferred tax charge/(benefit)	(i) & (n)	434.38	(161.36)	273.02
		1,793.50	(161.36)	1,632.14
Profit/(Loss) after tax		5,070.57	(333.61)	4,736.96
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)	-	21.10	21.10
- Income tax relating to these items	(i)	-	(5.31)	(5.31)
		-	15.79	15.79
Total comprehensive income/(loss)		5,070.57	(317.82)	4,752.75

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

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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' funds) as per previous GAAP		15,844.77	6,612.20
Adjustments:			
Prior period expenses	(g)	(0.34)	(20.99)
Expected credit loss on trade receivables	(c)	(311.11)	(193.63)
Lease equalisation reserve	(a)	57.30	57.30
Borrowings - transaction costs	(d)	34.82	20.84
Finance income on deferred fair value gain on account of unsecured loans	(e)	685.96	-
Finance income on deferred fair value gain on account of preference shares	(m)	27.33	0.21
Interest income on security deposits using EIR method	(b)	1.10	-
Prepaid lease rent amortised	(b)	(1.59)	-
Prepaid lease royalty amortised	(b)	(0.39)	-
Finance costs on unsecured loans	(e)	(667.31)	-
Finance costs on lease liabilities	(a)	(833.72)	-
Depreciation on right-of-use assets	(a)	(490.01)	-
Reversal of lease rent expenses	(a)	965.19	-
Prior period reclassification	(n)	(25.14)	(2.67)
Contract liability as per Ind AS 115	(h)	(38.70)	-
Minority interest		(1,689.00)	(279.00)
Deferred tax	(i)	182.76	26.71
Finance costs on preference shares	(m)	(16.35)	(0.15)
Total adjustments		(2,119.20)	(391.38)
Total equity as per Ind AS		13,725.57	6,220.82

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		5,070.57
Adjustments:		
Finance income on deferred fair value gain on account of unsecured loans	(e)	685.96
Finance income on deferred fair value gain on account of preference shares	(m)	27.12
Interest income on security deposits using EIR method	(b)	1.10
Remeasurement of defined benefit plans	(f)	(21.10)
Prior period expenses	(g)	20.65
Prepaid lease rent amortised	(b)	(1.59)
Prepaid lease royalty amortised	(b)	(0.39)
Borrowings - transaction costs	(d)	13.98
Finance costs on unsecured loans	(e)	(667.31)
Finance costs on preference shares	(m)	(16.20)
Finance costs on lease liabilities	(a)	(833.72)
Depreciation on right-of-use assets	(a)	(490.01)
Reversal of lease rent expenses	(a)	965.19
Prior period reclassification	(n)	(22.47)
Contract liability as per Ind AS 115	(h)	(38.70)
Expected credit loss on trade receivables	(c)	(117.48)
Deferred tax	(i)	161.36
Total adjustments		(333.61)
Profit after tax as per Ind AS		4,736.96

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Other comprehensive income

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		(f) & (j)		21.10
		(i)		(5.31)

Total comprehensive income as per Ind AS

4,752.75

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)	3,568.27	(1,742.00)	1,826.27
Cash flows from investing activities	(l)	-990.01	827.90	(162.11)
Cash flows from financing activities	(l)	-94.48	963.26	868.78

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 Group 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 Group has recognised right-of-use assets and lease liabilities. Transition to Ind AS has impacted balance sheet and statement of profit and loss as follows:

Impact on Balance Sheet

	As at March 31, 2021	As at April 1, 2020
Right-of-use assets	10,290.47	7,536.78
Lease liabilities	10,659.16	7,536.78

Impact on Statement of profit and loss

	For the year ended March 31, 2021
Depreciation on right-of-use assets	490.01
Finance costs on lease liabilities	833.72
Reversal of lease rent expenses	965.19

Impact on Equity

	As at March 31, 2021	As at April 1, 2020
Increase/ (decrease)	(301.24)	57.30

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(b) Security deposits

Under previous GAAP, there was no specific guidance on accounting for interest free security deposits. Whereas in Ind AS, the prepaid rent/ expense is measured as the difference between the initial carrying amount of the deposit determined in accordance with Ind AS 109 and the amount of deposit given. The Group had given interest free security deposit of ₹ 153.27 Lacs as on March 31, 2020 and ₹ 170.24 Lacs as on March 31, 2021 and the fair value was estimated to be ₹ 131.67 Lacs as on March 31, 2020 and ₹ 137.70 Lacs as on March 31, 2021. The difference of ₹ 21.60 Lacs as on March 31, 2020 and ₹ 39.58 Lacs as on March 31, 2021 has been treated as prepaid rent/ expense under Ind AS and is recognised in Statement of Profit and Loss over the period of lease/ agreement. After initial recognition, the security deposit has been subsequently carried at amortised cost i.e. interest based on market rate has been recognised under the effective interest rate method as part of interest income. The net effect of these changes is a decrease in Profit for the year ended March 31, 2021 by ₹ 0.88 Lacs total equity of ₹ 0.88 Lacs as at March 31, 2021. There is no impact on total equity as at April 1, 2020.

(c) 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 March 31, 2021 of ₹ 117.48 Lacs and ₹ 193.63 Lacs as at April 1, 2020. As a result, the total equity was decreased by ₹ 311.11 Lacs and ₹ 193.63 Lacs as on March 31, 2021 & April 1, 2020 respectively and the profit for the year ended March 31, 2021 decreased by ₹ 117.48 Lacs.

(d) Borrowings - 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 ₹ 20.84 Lacs and ₹ 34.81 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 ₹ 13.97 Lacs.

(e) Interest free unsecured loans

Ind AS 109 requires fair valuation of financial liabilities. The Group 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 ₹ 1,185.89 Lacs as at April 1, 2020 and ₹ 541.97 Lacs as at March 31, 2021. Further the Company has recognised finance costs of ₹ 666.64 Lacs and finance income of ₹ 685.96 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 ₹ 21.10 Lacs. There is no impact on the total equity as at March 31, 2021.

(g) Prior period errors

The Group 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 Group has estimated the amount of rebates, price concessions etc. and revenue has been decreased by ₹ 38.70 Lacs for the year ended March 31, 2021, contract liability of ₹ 38.70 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.

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(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.

(m) **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 ₹ 1,689.00 Lacs consisting of 1,68,90,000 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 ₹ 1,410.00 Lacs consisting of 1,41,00,000 0.01% non-convertible non-cumulative redeemable preference shares of ₹ 10 each, financial liability component of ₹ 440.46 Lacs and deferred fair value gain of ₹ 969.89 Lacs at initial recognition and finance costs of ₹ 4.92 Lacs and finance income of ₹ 8.28 Lacs for the year ended March 31, 2021 have been recognised.

(n) **Prior period reclassification**

The Group has identified some reclassification of previous financial years. The same has been reclassified respectively

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58 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

As at March 31, 2022

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of Profit for the year	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Holding								
A-One Steel and Alloys Private Limited	76.25%	17,289.11	77.28%	6,883.81	82.60%	33.70	77.31%	6,917.51
Subsidiaries								
A-One Gold Pipes And Tubes Private Limited	0.20%	45.90	0.55%	48.64	0.00%	-	0.54%	48.64
A-One Gold Steels India Private Limited	-0.02%	(3.50)	-0.02%	(2.14)	0.00%	-	-0.02%	(2.14)
Vanya Steels Private Limited	23.56%	5,341.86	22.20%	1,977.25	17.40%	7.10	22.18%	1,984.35
A One Gold Singapore Pte. Ltd.	0.00%	0.52	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
	100.00%	22,673.89	100.00%	8,907.52	100.00%	40.80	100.00%	8,948.32

As at March 31, 2021

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of Profit for the year	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Holding								
A-One Steel and Alloys Private Limited	75.57%	10,372.16	76.04%	3,602.03	81.00%	12.79	76.06%	3,614.82
Subsidiaries								
A-One Gold Pipes And Tubes Private Limited	-0.02%	(2.74)	-0.16%	(7.74)	0.00%	-	-0.16%	(7.74)
A-One Gold Steels India Private Limited	-0.01%	(1.36)	-0.13%	(6.36)	0.00%	-	-0.13%	(6.36)
Vanya Steels Private Limited	24.46%	3,357.51	24.26%	1,149.03	19.00%	3.00	24.24%	1,152.03
	100.00%	13,725.57	100.00%	4,736.96	100.00%	15.79	100.00%	4,752.75



59 Interests in other entities

Subsidiaries

The Group's subsidiaries at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Ownership interest held by non- controlling interests as at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
A-One Gold Pipes And Tubes Private Limited	India	100.00%	100.00%	0.00%	0.00%
A-One Gold Steels India Private Limited	India	100.00%	100.00%	0.00%	0.00%
Vanya Steels Private Limited	India	100.00%	100.00%	0.00%	0.00%
A One Gold Singapore Pte. Ltd.	Singapore	100.00%	N.A.	0.00%	N.A.

Principal activities of group companies

A-One Gold Pipes And Tubes Private Limited

The Company is engaged in the manufacturing, processing and trading of Pipes, Iron and steel including Ingots.

A-One Gold Steels India Private Limited

The Company is engaged in the manufacturing and trading of Pipes, Iron and steel including Ingots.

Vanya Steels Private Limited

The Company is engaged in the business of manufacturing and trading of Sponge Iron.

A One Gold Singapore Pte. Ltd.

The principal activities of the company are those of Import and export of Coal, Iron Ore, Scrap, and Galvanised Steel product.

60 Impairment tests for Goodwill

Vanya Steels Private Limited

Amount of Goodwill in books is negligible. No impairment testing has performed for the same.

As at	As at
March 31, 2022	March 31, 2021
0.08	0.08
0.08	0.08



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

A-One Steel and Alloys Private Limited

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	13,500.00	12,762.26	27,459.82	32,019.08	(4,559.27)	Refer footnote i
September 2021	13,500.00	10,283.51	25,361.52	25,963.29	(601.76)	Refer footnote i
December 2021	19,500.00	16,276.23	30,159.91	37,166.62	(7,006.71)	Refer footnote i
March 2022	19,500.00	18,595.65	31,343.35	31,486.47	(143.12)	Refer footnote i

Vanya Steels Private Limited

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 statements filed with the bank prepared on the basis of provisional financial statements, exclusion of the account ledgers of inter group balances while arriving Drawing Power and reclassification of certain ledger accounts
- (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.
- (iii) The information related to quarterly returns/statements filed by the Group with banks are not provided in the financial statements for the financial year 2020-21 as the management is of the view that the same is applicable for FY 2021-22.



- 62 The Board of Directors has approved a scheme of arrangement of amalgamation of A-One Steels India Private limited and Aaryan Hitech Steels India Private Limited ("Amalgamating Companies") with A-One Steel and Alloys Private Limited ("Amalgamated Group") in its meeting held on May 27, 2021. The scheme has been filed with the Honourable National Company Law Tribunal ("NCLT"). The scheme will be effective upon approval from NCLT. The appointed date as proposed by the Group is April 1, 2021. Pending hearing for NCLT, no adjustment has been taken in the books of accounts.
- 63 The Parliament of India has approved new Labour Codes which would impact the contributions by the Group 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 Group 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.
- 64 The Group 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.
- 65 The Group does not have any immovable property (other than properties where the Group 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 Group.
- 66 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- 67 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 68 The Group 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 Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 69 The Group 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 Group shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 70 The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies ("ROC") beyond the statutory period.
- 71 The Group 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).
- 72 The Group 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.
- 73 The Group has not used any borrowings from banks and financial institutions for purpose other than for which it was taken.
- 74 There are no standards that are issued but not yet effective on March 31, 2022.



75 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 Group's offices were closed and operations temporarily suspended since then. The Group has drawn projected cash flow for the next one year, based on certain assumptions and has concluded that the Group will have sufficient liquidity to continue its operations. In assessing the recoverability of its current assets including trade receivables, loan and advances, the Group 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 Group 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.

76 These financial statements were approved for issue by the Board of Directors on September 27, 2022.

77 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.

78 Previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability.

For Singhi & Co.

Chartered Accountants

ICAI FRN: 382049E


Vijay Jain
Partner
Membership No.: 077508

Date: 27 September, 2022

Place: Bengaluru

For and on behalf of the Board of Directors of
A-One Steel and Alloys Private Limited


Sunil Jallan
Whole-time Director
DIN: 02150846

Date: 27 September, 2022

Place: Bengaluru


Sandeep Kumar
Director
DIN: 02112630


Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of The Companies (Accounts) Rules, 2014]

PART 'A': SUBSIDIARIES

Amounts in ₹ Lacs

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting Period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Other Equity	Total assets	Total liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Divided	% of shareholding
1	Vanya Steels Private Limited	NA	INR	1,516.02	3,825.84	21,001.42	15,659.56	47.77	55,477.88	2,654.02	676.77	1,977.25	-	100%
2	A-One Gold Steels India Private Limited	NA	INR	5.00	(8.49)	9.49	12.98	-	-	(2.14)	-	(2.14)	-	100%
3	A-One Gold Pipes And Tubes Private Limited	NA	INR	5.00	40.90	8,944.37	8,898.47	-	-	55.91	7.27	48.64	-	100%
4	A One Gold Singapore Pte Ltd	NA	SGD (1SGD = ₹56.25)	0.56	(0.04)	0.52	-	-	-	(0.04)	-	(0.04)	-	100%

PART 'B': ASSOCIATES AND JOINT VENTURES

Not Applicable

Notes

(i) A One Gold Singapore Pte. Ltd. and A-One Gold Steels India Private Limited, subsidiaries of A-One Steel and Alloys Private Limited are yet to commence operations.

For Singhi & Co.
Chartered Accountants
ICAI FRN: 302049E

For and on behalf of the Board of Directors of
Statement of Subsidiaries and Associates

Vijay Jain
Partner
Membership No.: 077508

Sunil Jaitan
Whole-time Director
DIN: 02150846

Sandeep Kumar
Director
DIN: 02112630

Date: 27 September, 2022
Place: Bengaluru

Pooja Sara Nagaraja
Company Secretary
M. No.: AS2496

Date: 27 September, 2022
Place: Bengaluru

Reporting Entity

A-One Steel and Alloys Private Limited (the 'Holding Company') is a private limited company domiciled in India, with its registered office situated at A One House No. 326, CQAL Layout, Ward No. 08, Sahakar Nagar, Bangalore – 560092. The Holding Company was incorporated on April 9, 2012. The Holding Company is engaged in the business of manufacturing and trading of Iron & Steel products. The Holding Company also undertakes machining and job works for its customers.

The Holding Company along with its subsidiaries have been collectively hereinafter referred to as "the Group".

1. A. 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 Group'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 Group'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 Group is provided in Note 57.

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 Group 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 Group'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 Group'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:

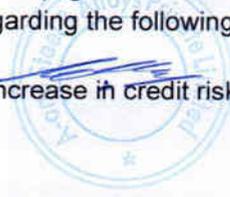
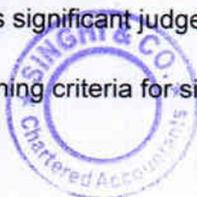
Items	Basis of measurement
Certain financial assets and liabilities	Fair value
Net defined benefit liability/asset	Present value of defined benefit obligation less fair value of plan asset

(v) Use of estimates and judgements

The preparation of the Group'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 Group 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 Group 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 Group'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 Group 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 Group 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 Group'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 Group 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 Group 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 Group 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.

B. Basis of consolidation

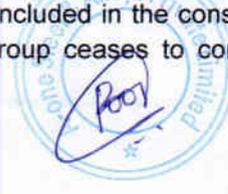
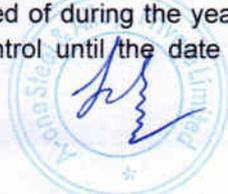
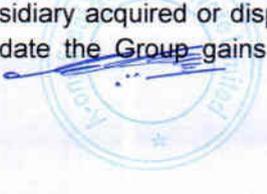
The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee;
- b) The rights arising from other contractual arrangements;
- c) The Group's voting rights and potential voting rights; and
- d) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.



Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The following consolidation procedures are adopted:

Subsidiary:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any noncontrolling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in Consolidated Statement of Profit and Loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

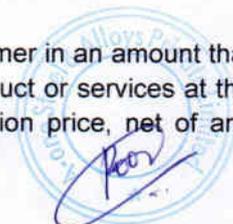
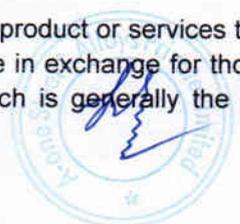
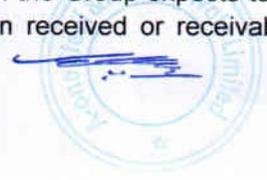
2 Summary of significant accounting policies

(i) Revenue

The Group 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 Group 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.



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

- a. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Group's performance does not create an asset with an alternative use to the Group 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 Group 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.

Commission income

Commission income are recognised in Statement of Profit or Loss only when the relevant services have been rendered.

(iii) Employee Benefits

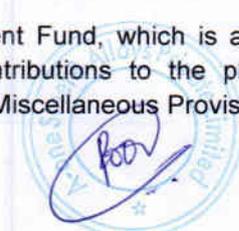
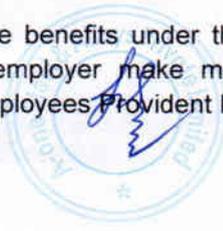
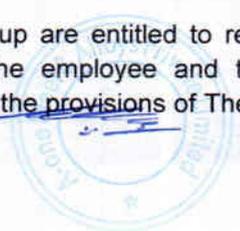
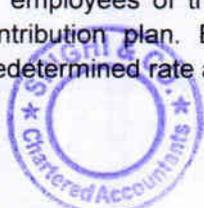
Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed 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 Group 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 Group 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 Group 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 Group 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 Group'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 Group 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Foreign exchange transactions and translations

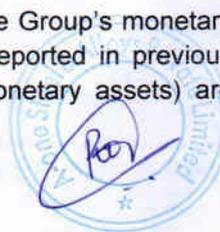
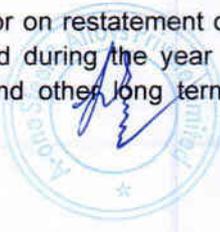
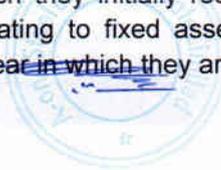
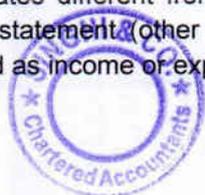
Initial recognition:

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 Group's monetary items at rates different from those at which they initially recorded during the year or reported in previous financial statements (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 Group 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.

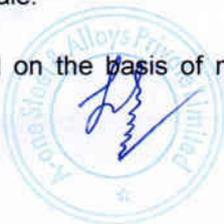
Loose tools and scrap are valued at estimated realisable value.

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.



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(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 Group 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 control of the Group. 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 arise 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 Group.

(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.



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On transition to Ind AS, the Group 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 Group 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.

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
Borewell	5 years
Computers	3 years
Vehicles	8 & 10 years
Intangible assets:	
Software	3 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 lessor

Leases for which the Group is a lessor classified as finance or operating lease. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

As lessee

The Group's lease asset classes primarily consist of leases for land & buildings and plant & machinery. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group 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



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The Group'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 Group 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 Group 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.

On initial recognition of an equity investment that is not held for trading, the Group 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 Group 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 Group 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 Group'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.



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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 Group'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 Group 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 Group 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 Group'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.

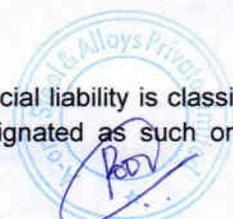
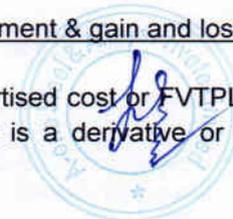
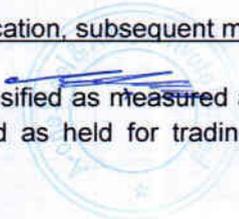
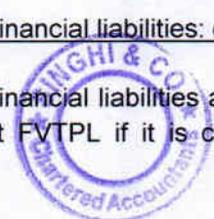
Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

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 Group 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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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

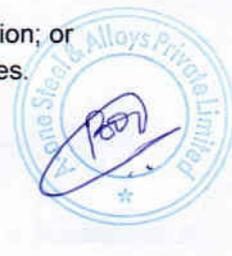
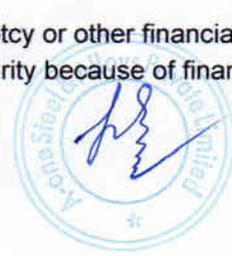
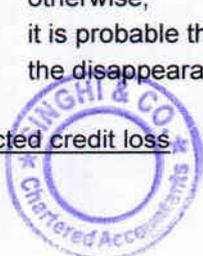
The Group recognises loss allowances for expected credit losses on:-

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

At each reporting date, the Group 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 Group on terms that the Group 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.

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 Group 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 Group 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 Group's historical experience and informed credit assessment and including forward looking information.

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

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group in accordance with the contract and the cash flows that the Group 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.

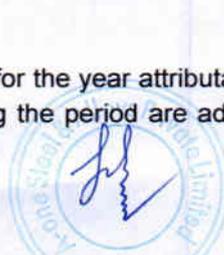
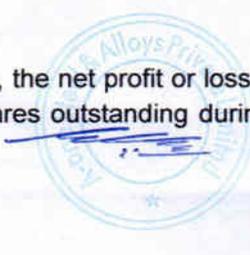
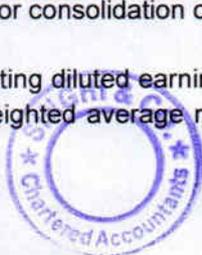
Write-off

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 Group 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 Group'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.

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 Group'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 Group as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Group 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 Group as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 52 for segment information.

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