

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
VANYA STEELS PRIVATE LIMITED
BANGALORE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VANYA STEELS PRIVATE LIMITED** ("the company"), which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2023 and its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Other Information

The Company's Management and Board of Directors are 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, but does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard to those charged with governance and take necessary actions. As applicable under the applicable laws and regulations.

Management's and Board of Director's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting in the preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B" of this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 42 to the financial statements.
 - ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall
 - 1. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or
 - 2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall
 - 1. whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - 2. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under the sub clause (iv) (1) & (2) contain any material misstatement.
- v. No dividend has been declared or paid by the company.



R. Singhvi & Associates
Chartered Accountants

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

For R. Singhvi & Associates
Chartered Accountants

(Firm's Registration No. 003870S)

G. Pavan Kumar

G Pavan Kumar

Partner

(Membership No.228771)

UDIN: 23228771BGZICK1898

Date: 27th September 2023

Place: Bangalore



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **VANYA STEELS PRIVATE LIMITED** of even date)

- i.
 - a. In respect of the Company's property, plant & equipment:
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment;
 - B. The Company has maintained proper records showing full particulars of intangible assets;
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. According to the information and explanations given to us, and the records examined by us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year ended March 31, 2023.
 - e. According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or are pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. In respect of the company's inventory,
 - a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
 - b. The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The deviations noted between the books of accounts and the quarterly returns/statements filed with such banks and financial institutions have been disclosed in Note no 54 of the financial statements.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other entity during the year. The Company has granted unsecured advances (in the nature of loans) to employees during



the year, and has not granted loans and advances, stood guarantee or provided security to any company, firms, limited liability partnerships or any other parties during the year.

- a. During the year, the Company has granted advances (in the nature of loans) to employees amounting to Rs.6.65 Lakhs. Balances outstanding in respect of the same as at the Balance Sheet date is Rs.3.76 Lakhs.
 - b. In respect of the aforesaid advances, the terms and conditions under which such advances were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of employee loans given there is no stipulation of schedule of repayment of principal and we are unable to make specific comment on the regularity of repayment of principal & payment of interest, in such cases. Further, employee advances amounting to Rs.0.24 Lakhs has been written off during the year owing to non-recoverability of the same.
 - d. According to the information and explanations given to us and on the basis of our examination of the records, there are no amounts of loans and advances in the nature of loans granted to companies, which are overdue for more than ninety days. Accordingly, clause 3(iii)(d) of the Order is not applicable.
 - e. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party is not applicable to the Company. Accordingly, clause 3(iii)(e) of the Order is not applicable.
 - f. According to the information and explanations given to us and on the basis of our examination of the records, the Company has granted advances (in the nature of loans) to employees amounting to Rs.6.65 Lakhs without specifying any terms or period of repayment. Of the above, no advances are granted to the promoters and/or related parties.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits other than those in the normal course of business, hence the provision of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under not applicable to the company; Accordingly, clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 (as amended) prescribed by the Central Government under Section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;



vii. In respect of statutory dues:

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, goods and service tax, provident fund, employee state insurance, customs duty and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

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

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

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income-Tax Act, 1961	Income Tax	29.43	AY2015-16 to AY2021-22	CPC, Income Tax and others

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. In respect of loans taken by the company,

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of dues to any lender.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the term loans obtained by the company have been applied for the purpose for which it had been obtained.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short-term basis by the Company has not been used for long term basis.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company is not having any subsidiary or Joint venture or associate companies. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- f. According to the information and explanation provided to us and based on the examination of financial statements, the Company is not having any subsidiary or Joint venture or associate companies. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.



- x. A. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
B. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year, and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
b. In our opinion and according to information and explanation given to us, no report under 143(12) of the Act in form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014, has been filed with the Central Government.
c. In our opinion and according to information and explanation given to us, the establishment of whistle blower mechanism is not mandatory for the company and hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii)(a)(b)(c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. a. Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business.
b. The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence requirement to report on Clause 3(xv) are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. As such, reporting under Clause 3 (xvi)(a)(b)(c)(d) is not applicable for the company.



- xvii. Based on information and explanations provided to us and our audit procedures, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing, business profitability and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For R. Singhvi & Associates,
Chartered Accountants,
(Firm's Registration No. 003870S)



G Pavan Kumar
Partner

(Membership No.228771)
UDIN: 23228771BGZICK1898
Date: 27th September 2023
Place: Bangalore



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **VANYA STEELS PRIVATE LIMITED** ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Singhvi & Associates
Chartered Accountants
(Firm Registration No. 003870S)


G Pavan Kumar
Partner
(Membership No. 228771)
UDIN: 23228771BGZICK1898
Date: 27th September 2023
Place: Bangalore



Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

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

Standalone Balance Sheet as at March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant & equipment	3	8117.22	6568.22
Capital work-in-progress	6	-	646.96
Other Intangible assets	4	10.39	-
Right-of-use assets	5	3.98	5.44
Financial assets			
Investments	7	45.01	47.77
Other financial assets	8	199.90	159.01
Non-current tax assets (net)	9	45.99	45.99
Other non-current assets	10	855.60	192.07
Total Non-current Assets		9278.09	7665.47
Current assets			
Inventories	11	8598.64	7177.25
Financial assets			
Trade receivables	12	4869.71	1620.35
Cash and cash equivalents	13	3353.77	845.60
Bank balances other than cash and cash equivalents	14	30.58	29.52
Loans	15	3.76	1.08
Other financial assets	16	227.06	347.81
Other current assets	17	4815.23	3314.33
Total Current Assets		21898.75	13335.95
Total Assets		31176.83	21001.42
Equity and Liabilities			
Equity			
Equity share capital	18	1516.02	1516.02
Other equity	19	5396.89	3825.84
Total Equity		6912.90	5341.86
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	3088.94	3573.71
Lease liabilities	21	2.87	4.36
Provisions	22	24.91	27.03
Deferred tax liabilities (net)	23	211.45	206.32
Other non-current liabilities	24	500.61	531.97
Total Non Current Liabilities		3828.78	4343.38
Current liabilities			
Financial liabilities			
Borrowings	25	16219.32	6910.33
Lease liabilities	26	1.50	1.37
Trade payables	27		
total outstanding dues of micro enterprises and small enterprises; and		99.04	45.44
total outstanding dues of creditors other than micro enterprises and small enterprises.		3116.00	2080.59
Other financial liabilities	28	128.75	173.46
Other current liabilities	29	753.56	1711.68
Provisions	30	13.88	12.80
Current tax liabilities (net)	31	103.10	380.51
Total Current Liabilities		20435.15	11316.18
Total Liabilities		24263.93	15659.57
Total Equity and Liabilities		31176.83	21001.42

Summary of significant accounting policies

The accompanying notes 3 to 67 form an integral part of these financial statements.

For R. Singhvi & Associates

Chartered Accountants

ICAI FRN: 0038705

G. PAVAN KUMAR

Partner

Membership No.: 22877

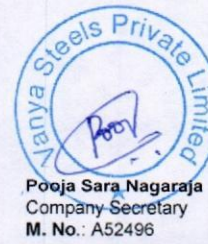
Place: Bengaluru

Date: 27/09/2023



Place: Bengaluru

Date: 27/09/2023



Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

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

Standalone Statement of profit and loss for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	32	66247.85	55477.88
Other income	33	79.78	119.89
Total Income		66327.63	55597.77
Expenses			
Cost of materials consumed	34	60372.24	49996.97
Changes in inventories of finished goods and work-in-progress	36	68.07	407.96
Employee benefit expense	37	353.04	356.86
Finance costs	38	1329.92	467.28
Depreciation and amortisation expense	39	514.42	258.44
Other expenses	40	1645.54	1456.24
Total Expenses		64283.24	52943.75
Profit before tax		2044.40	2654.02
Tax expenses			
Current tax	52	475.58	661.74
Deferred tax charge	52	3.25	15.03
		478.83	676.77
Profit after tax		1565.56	1977.25
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of equity instruments		-	-
- Remeasurement of defined benefit plans	45	7.47	9.48
- Income tax relating to these items	52	-1.88	-2.39
		5.59	7.10
Total comprehensive income		1571.15	1984.34
Earnings per equity share (in ₹):			
-Basic and diluted earnings per share	41	10.33	13.04

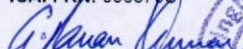
Summary of significant accounting policies

The accompanying notes 3 to 67 form an integral part of these financial statements.

For R. Singhvi & Associates

Chartered Accountants

ICAI FRN: 003870S


G. PAVAN KUMAR

Partner

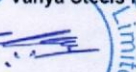
Membership No.: 228771

Place: Bengaluru

Date: 27/09/2023

For and on behalf of the Board of Directors of

Vanya Steels Private Limited

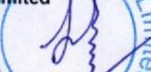

Sunil Jallari

Director

DIN: 02150846

Place: Bengaluru

Date: 27/09/2023


Sandeep Kumar

Director

DIN: 02442630


Pooja Sara Nagaraja

Company Secretary

M. No.: A52496

Vanya Steels Private Limited

(CIN: U74999KA2005PTC125578)

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

Standalone Statement of cash flows for the year ended March 31,2023

(All amount are in Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	2044.40	2654.02
Adjustments to reconcile profit before tax to cash generated from operating activities		
Provision for employee benefits	7.36	11.21
Depreciation and amortisation expense	514.42	258.44
Impairment of trade receivables	38.88	105.47
Interest income	-70.52	-118.49
Finance costs	1329.92	467.28
Other comprehensive income	7.47	9.48
Operating profit before working capital changes	3871.94	3387.41
Adjustments for (increase)/decrease in operating assets		
Inventories	-1421.38	-4019.98
Trade receivables	-3288.24	199.94
Other financial assets	78.84	-263.78
Other non-financial assets	-1500.84	-2493.82
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	1067.55	885.44
Other financial liabilities	70.04	100.40
Provisions	-8.39	-10.64
Other non-financial liabilities	-958.12	1333.29
Cash generated from/(used in) operations	-2088.62	-881.73
Less: Income tax paid (net of refunds)	-752.99	-281.23
Net cash flow generated from/(used in) operating activities (A)	-2841.61	-1162.96
Cash flows from investing activities		
Proceeds from/(payments for) PPE, intangible assets and CWIP	-2204.13	-3785.52
Loan Given to Employees	-2.68	0.04
Bank balances other than cash and cash equivalents	-1.06	-1.01
(Increase)/decrease in investments	2.76	-2.07
Interest income	4.04	118.49
Net cash flow generated from/(used in) investing activities (B)	-2201.07	-3670.06
Cash flows from financing activities		
Payments for borrowings	-1394.40	-599.25
Proceeds from borrowings	10202.00	6251.99
Payment of lease liabilities	-1.80	-1.80
Finance costs	-1254.94	-466.74
Net cash inflow from/(used in) financing activities (C)	7550.86	5184.20
Net increase (decrease) in cash and cash equivalents (A+B+C)	2508.17	351.18
Cash and cash equivalents at the beginning of the year	845.60	494.41
Cash and cash equivalents at the end of the year	3353.77	845.60



Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

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

Standalone Statement of cash flows for the year ended March 31,2023

(All amount are in Lakhs, unless otherwise stated)

...Continued from previous page

Notes to Statement of cash flows:

(i) Components of cash and bank balances (refer note 13 and14)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	3353.77	845.60
Other bank balances	30.58	29.52
Cash and bank balances at end of the year	3384.35	875.12

Summary of significant accounting policies

2

The accompanying notes 3 to 67 form an integral part of these financial statements.

(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, 2023		
Balance as at April 1, 2022	4499.11	5984.93
Loan drawls (in cash)/interest accrued during the year	1465.32	9633.73
Adjustment for processing fee	0.00	
Loan repayment/interest payment during the year	-1804.15	-513.59
Other non-cash changes	42.91	0.00
Balance as at March 31, 2023	4203.19	15105.07
For the year ended March 31, 2022		
Balance as at April 1, 2021	2873.15	1868.12
Loan drawls (in cash)/interest accrued during the year	2667.78	4116.81
Adjustment for processing fee	0.00	0.00
Loan repayment/interest payment during the year	-1080.80	0.00
Other non-cash changes	38.98	0.00
Balance as at March 31, 2022	4499.11	5984.93

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 accompanying notes 3 to 67 form an integral part of these financial statements.

For R. Singhvi & Associates

Chartered Accountants

ICAI FRN: 003870S

G. Pavan Kumar

G. PAVAN KUMAR

Partner

Membership No.: 228771

Place: Bengaluru

Date: 27/09/2023



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



Sunil Jallan
Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru

Date: 27/09/2023



Sandeep Kumar
Sandeep Kumar
Director
DIN: 02112630



Pooja Sara Nagaraja
Pooja Sara Nagaraja
Company Secretary
M. No.: A52496

Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

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

Standalone Statement of changes in equity for the year ended March 31, 2023
(All amount are in Lakhs, unless otherwise stated)

A. Equity share capital

Balance as at March 31, 2021	1516.02
Change in equity share capital during 2021-22	-
Balance as at March 31, 2022	1516.02
Change in equity share capital during 2022-23	-
Balance as at March 31, 2023	1516.02

B. Other equity

Particulars	Retained earnings	Securities premium	Items of other comprehensive income			Total
			Remeasurement of equity instruments	Remeasurement of defined benefit obligation	Revaluation surplus	
Balance as at March 31, 2021	-471.45	2082.84	-	3.00	227.10	1841.49
Profit for the year	1977.25	-	-	-	-	1977.25
Other comprehensive income	-	-	-	9.48	-	9.48
Tax impact on above	-	-	-	-2.39	-	-2.39
Balance as at March 31, 2022	1505.80	2082.84	-	10.09	227.10	3825.84
Profit for the year	1565.46	-	-	-	-	1565.46
Other comprehensive income	-	-	-	7.47	-	7.47
Tax impact on above	-	-	-	-1.88	-	-1.88
Balance as at March 31, 2023	3071.26	2082.84	-	15.69	227.10	5396.89

Summary of significant accounting policies
The accompanying notes 3 to 67 form an integral part of these financial statements.

2

For R. Singhi & Associates

Chartered Accountants

ICAI FRN: 003870S

R. Singhi
G. PAVAN KUMAR
Partner
Membership No.: 228771



Place: Bengaluru
Date: 27/09/2023

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

Sunil Jallan
Sunil Jallan
Director
DIN: 02150846



Sandeep Kumar
Sandeep Kumar
Director
DIN: 02112630

Pooja Sata Nagaraja
Pooja Sata Nagaraja
Company Secretary
M. No.: A52496



Place: Bengaluru
Date: 27/09/2023

Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

Reporting Entity

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

1. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards:

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

The financial statements for the year ended March 31, 2023 were authorised and approved for issue by the Board of Directors on September 27, 2023.

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

(ii) Current and non-current classification

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

(iii) Functional and presentation currency

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

(iv) Basis of measurement

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

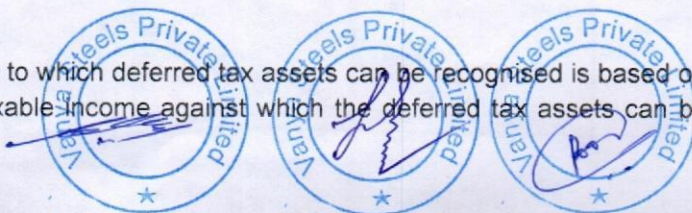
Items	Basis of measurement
Certain financial assets and liabilities	Fair value
Net defined benefit asset/liability	Present value of defined benefit obligation less Fair value of Plan asset

(v) Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements:

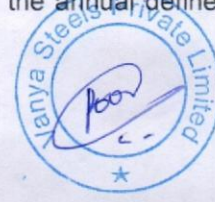
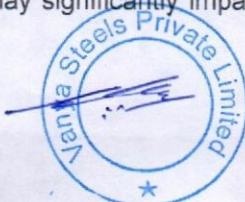
- Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.



- **Business model assessment** – The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.
- **Expected credit loss (ECL)** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgements regarding the following while assessing expected credit loss:
 - Determining criteria for significant increase in credit risk
 - Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL
 - Establishing groups of similar financial assets for the purposes of measuring ECL.
- **Provisions** – At each Balance Sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates:

- **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values, and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on several underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

2 Summary of significant accounting policies

(i) Revenue

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

Revenue from sale of goods

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

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

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

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

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

Other operating income

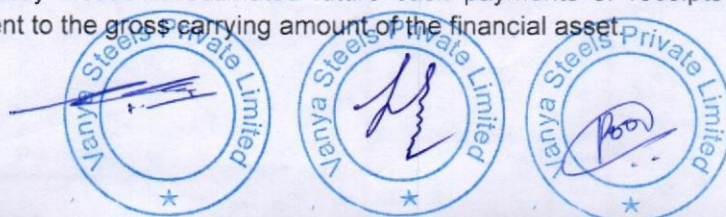
Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

(ii) Other income

Interest income

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

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



(iii) Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

Defined contribution plan: Provident fund

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

Defined Benefit Plan: Gratuity

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

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

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

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

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



Other long-term benefits: Compensated absences

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

(iv) Foreign exchange transactions and translations

Initial recognition:

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

Conversion:

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

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

(v) Tax expense

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

Current tax

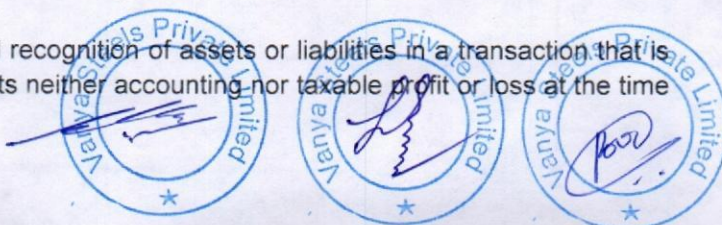
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering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

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

Deferred tax

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

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



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

- taxable temporary differences arising on the initial recognition of goodwill.

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

(vi) Inventories

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

Loose tools and scrap are valued at estimated realisable value.

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

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

(vii) Cash and cash equivalents

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

(viii) Provisions, contingent liabilities, and contingent assets

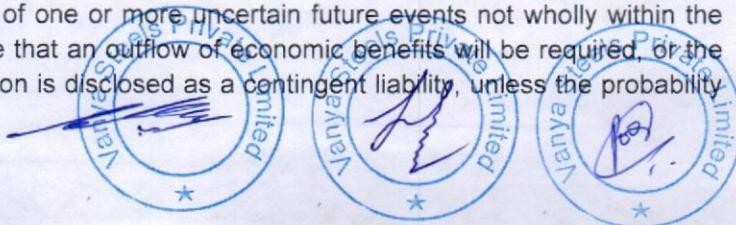
Provisions

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

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

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

Contingent assets

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

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

Recognition and measurement

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

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

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

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

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

Subsequent expenditure

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

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

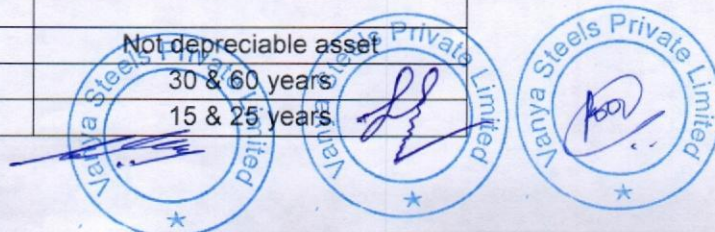
Depreciation methods, estimated useful lives and residual values

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

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



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

Furniture and fixtures	10 years
Office equipments	3 & 5 years
Vehicles	8 & 10 years

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

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

(x) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Intangible assets under development

Expenditure on research and development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Computer Software are being amortised on a Straight Line Method basis over a useful life of three years.

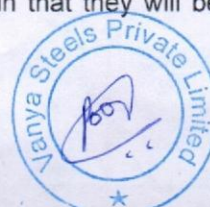
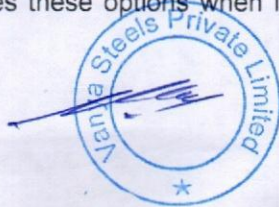
(xi) Leases

As lessee

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

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

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



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

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

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

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

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

(xii) Impairment of non-financial assets

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

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

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

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

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

(xiii) 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.

(xiv) Financial instruments

Initial recognition and measurement



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

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

Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

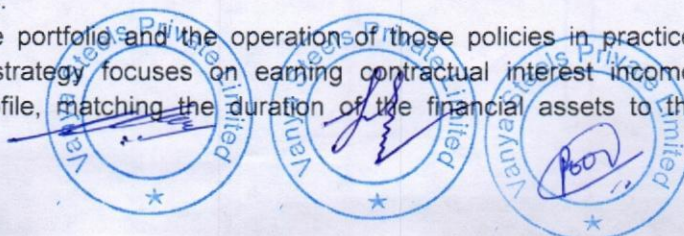
On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

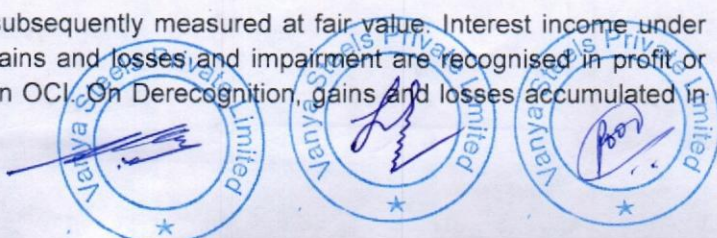
A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of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

Financial assets: Subsequent measurement and gains and losses

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

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

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



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

Financial liabilities: classification, subsequent measurement & gain and loss

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

Offsetting

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

Derecognition

Financial assets

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

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

Financial liabilities

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

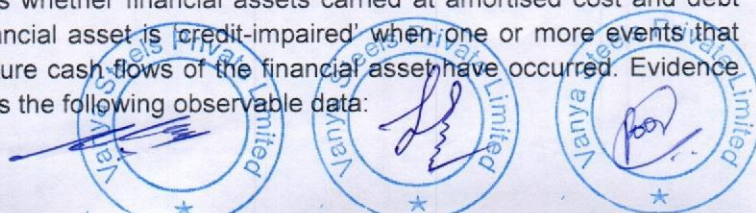
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial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

Impairment of financial instruments

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

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

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



Vanya Steels Private Limited
Notes to the Financial Statements for the year ended March 31, 2023

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

Expected credit loss

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

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

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

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

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

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

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

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

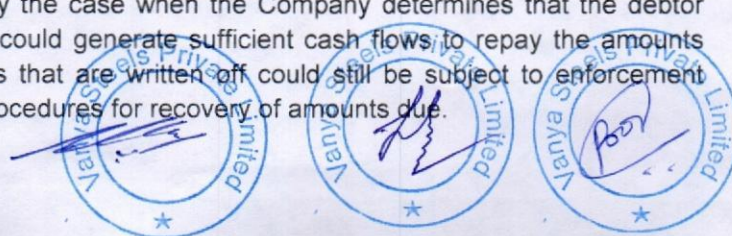
Measurement of expected credit losses

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

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

Write-off

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



(xv) 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.

(xvi) Segment reporting

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

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

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

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

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

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

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3 Property, plant and equipment

Current year	Gross block (at cost)				Accumulated depreciation				Net block	
	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
Freehold land	1602.71	104.76	-	1707.47	-	-	-	-	-	1707.47
Factory sheds and building	528.45	319.65	-	848.10	34.08	21.35	-	55.43	792.67	792.67
Plant and equipment	4802.66	1613.06	-	6415.72	409.62	470.56	-	880.18	5535.54	5535.54
Furniture and fixtures	2.57	0.47	-	3.04	0.55	0.29	-	0.83	2.20	2.20
Office equipments	20.92	3.94	-	24.86	7.97	4.37	-	12.34	12.53	12.53
Computer	5.21	8.13	-	13.34	1.34	2.53	-	3.88	9.46	9.46
Vehicles	70.41	7.13	-	77.54	11.16	9.03	-	20.20	57.34	57.34
	7032.94	2057.13	-	9090.07	464.72	508.13	-	972.85		8117.22
Previous year	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	As at March 31, 2022	As at March 31, 2022
Freehold land	1363.73	238.98	-	1602.71	-	-	-	-	-	1602.71
Factory sheds and building	506.53	21.92	-	528.45	17.11	16.97	-	34.08	494.38	494.38
Plant and equipment	1756.34	3046.32	-	4802.66	183.09	226.54	-	409.62	4393.04	4393.04
Furniture and fixtures	2.35	0.22	-	2.57	0.26	0.26	-	0.55	2.03	2.03
Office equipments	13.94	6.98	-	20.92	3.89	4.08	-	7.97	12.96	12.96
Computer	1.72	3.49	-	5.21	-	1.34	-	1.34	3.86	3.86
Vehicles	28.16	42.25	-	70.41	3.38	7.78	-	11.16	59.24	59.24
	3672.78	3360.15	-	7032.94	207.74	256.97	-	464.72		6568.22

Footnotes:

- (i) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023 and March 31, 2022.
- (ii) Please refer note 42 for capital commitments.
- (iii) There are no impairment losses recognised for the year ended March 31, 2023 and March 31, 2022.
- (iv) There are no exchange differences adjusted in Property, plant & equipment.
- (v) All property, plant and equipment, are subject to charge against secured borrowings of the company referred in notes as secured term loans and vehicle loans from banks. (refer note 46).



4 Other Intangible assets

Current year	Gross block (at cost)			Accumulated amortisation			Net block
	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023
Software	-	15.21	-	-	4.82	-	10.39
	-	15.21	-	-	4.82	-	10.39
Previous year	Gross block (at cost)			Accumulated amortisation			Net block
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022
Software	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Footnotes:

- There are no internally generated intangible assets.
- The Company has not carried out any revaluation of intangible assets for the year ended March 31, 2023 and March 31, 2022.
- There are no other restriction on title of intangible assets.
- There are no exchange differences adjusted in intangible assets.
- The Company has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.



Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)
Notes to the Standalone financial statements for the year ended March 31, 2023
(All amount are in Lakhs, unless otherwise stated)

5 Right-of-use assets

Office building
Opening balance (ROU)
Depreciation charged for the year
Closing balance

As at March 31, 2023	As at March 31, 2022
5.44	6.91
-1.47	-1.47
3.98	5.44

Footnote:

Please refer 47 note for Lease Liabilities and Operating lease disclosures

6 Capital work-in-progress

Balance at the beginning

Addition during the year:

Capitalised during the year:

Plant and machinery

Building-Others

Balance at the end

As at March 31, 2023	As at March 31, 2022
646.96	221.59
792.24	3471.68
1439.19	3693.27
1431.80	3046.32
7.40	
-	646.96

Footnote:

Capital work-in-progress ageing

Particulars

Projects in progress

Less than 1 year

1-2 years

As at March 31, 2023	As at March 31, 2022
-	646.96
0	-
-	646.96

Capital work-in-progress Completion Schedule

Particulars

Projects in progress

Less than 1 year

1-2 years

2-3 years

More than 3 years

As at March 31, 2023	As at March 31, 2022
-	646.96
-	-
-	-
-	-
-	646.96

Projects are being executed at a different locations involving common procurements therefore project wise identification wrt Capital Work in progress is not feasible.

7 Investments (non-current)

Investments measured at fair value through other comprehensive income:

A. Investment in equity instruments

Unquoted

Atria Wind Power (Bijapur 1) Private Limited

[20322 equity shares of ₹ 100 each (March 31, 2022: 21,568)]

As at March 31, 2023	As at March 31, 2022
45.01	47.77
45.01	47.77

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, 2023	As at March 31, 2022
-	-
-	-
45.01	47.77

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

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



8 Other financial assets (non-current)

Unsecured, considered good - at amortised cost

Security deposits (Non Current)
Sales tax deposit

Footnote:

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

As at March 31, 2023	As at March 31, 2022
199.80	158.91
0.10	0.10
199.90	159.01

9 Non-current tax assets (net)

Income tax refundable (earlier years)

As at March 31, 2023	As at March 31, 2022
45.99	45.99
45.99	45.99

10 Other non-current assets

Capital advances
Prepaid expenses (Non Current)

As at March 31, 2023	As at March 31, 2022
815.09	151.51
40.51	40.56
855.60	192.07

11 Inventories

Valued at lower of cost and net realisable value

Raw materials
Stores and spares
Finished goods
Goods in Transit

As at March 31, 2023	As at March 31, 2022
7792.96	6315.98
257.09	274.50
518.70	586.77
29.89	-
8598.64	7177.25

Footnotes:

Inventories are pledged as securities for borrowings taken from banks (refer note 46).
Finished goods also includes Semi Finished Goods & By-Products (not for further production process).
Goods in Transit includes Raw Materials, Store and Spares, etc.

12 Trade receivables

Unsecured - at amortised cost

Undisputed trade receivables — considered good
Undisputed trade receivables — which have significant increase in credit risk

Less: Impairment loss allowance

As at March 31, 2023	As at March 31, 2022
5083.28	1795.03
5.69	5.69
-219.25	-180.37
4869.71	1620.35

Footnotes:

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

(vi) Trade receivables ageing

Particulars

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

2-3 years
More than 3 years

As at March 31, 2023	As at March 31, 2022
4784.87	1530.89
87.50	13.41
1.48	41.10
25.00	178.49
184.42	31.14
-	-
5.69	5.69
5088.97	1800.72



Vanya Steels Private Limited
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Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

13 Cash and cash equivalents

Balances with banks
- in current accounts
Cash on hand

As at March 31, 2023	As at March 31, 2022
3345.85	822.47
7.92	23.12
3353.77	845.60

14 Bank balances other than cash and cash equivalents

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

As at March 31, 2023	As at March 31, 2022
30.58	29.52
30.58	29.52

Footnote:

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

15 Loans (current)

Unsecured, considered good

Loans to
- Employees
- Other

As at March 31, 2023	As at March 31, 2022
3.76	1.08
-	-
3.76	1.08

Footnote:

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

16 Other financial assets (current)

Unsecured, considered good

Security deposits
Earnest money deposits
Receivable on account of reimbursements
Accrued interest on security deposits

As at March 31, 2023	As at March 31, 2022
1.47	4.32
216.94	335.35
6.06	5.59
2.59	2.56
227.06	347.81

Footnote:

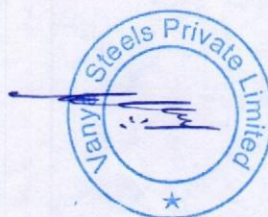
For explanation on the Company's credit risk management process, refer note 50.

17 Other current assets

Prepaid expenses
Advance to suppliers
Balance with government authorities

As at March 31, 2023	As at March 31, 2022
259.82	42.05
4528.88	3219.62
26.53	52.66
4815.23	3314.33

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18 Equity Share capital

Equity Share capital

(i). The Company has only one class of equity share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

	As at March 31, 2023	As at March 31, 2022
Authorised shares		
Equity shares		
1,60,00,000 (March 31, 2022 1,60,00,000) shares of ₹ 10 each	1600.00	1600.00
	1600.00	1600.00
Issued, subscribed and fully paid-up shares		
Equity shares		
1,51,60,167 (March 31, 2022 1,51,60,167) shares of ₹ 10 each	1516.02	1516.02
	1516.02	1516.02

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Equity shares				
Shares outstanding at the beginning of the year	1,51,60,167	1516.02	1,51,60,167	1516.02
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,51,60,167	1516.02	1,51,60,167	1516.02

(iii). Terms/rights attached to equity shares

Voting

Each shareholder is entitled to one vote per share held.

Dividends

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

Liquidation

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

(iv). Equity shares held by holding company

Name of shareholders

	As at March 31, 2023		As at March 31, 2022	
	Number	Percentage	Number	Percentage
A-One Steel and Alloys Private Limited	1,51,60,166	100.00%	1,51,60,166	100.00%

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

Name of shareholders

	As at March 31, 2023		As at March 31, 2022	
	Number	Percentage	Number	Percentage
A-One Steel and Alloys Private Limited	1,51,60,166	100.00%	1,51,60,166	100.00%

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

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

Name of promoters

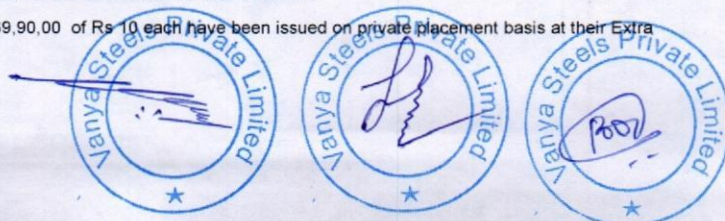
	As at March 31, 2023		% change	As at March 31, 2022	
	Number	Percentage		Number	Percentage
A-One Steel and Alloys Private Limited	1,51,60,166	100.00%	0.00%	1,51,60,166	100.00%
Sandeep Kumar	1	0.00%	0.00%	1	0.00%
	1,51,60,167	100%	0%	1,51,60,167	100%

Name of promoters

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

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

(ix). 0.01% Non Cumulative, Non Convertible Redeemable Preference shares of 69,90,00 of Rs 10 each have been issued on private placement basis at their Extra Ordinary General Meeting on multiple dates for a period of 10 years.



Vanya Steels Private Limited
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Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

...Continued from previous page

19 Other equity

- (i). **Retained earnings**
Opening balance (RE)
Add: Profit for the year
Closing balance

- (ii). **Securities premium**
Opening balance (SP)
Closing balance

- (iii). **Items of other comprehensive income**
Opening balance (OCI)
Add: Other comprehensive income for the year
Closing balance

	As at March 31, 2023	As at March 31, 2022
	1505.80	-471.45
	1565.46	1977.25
	3071.26	1505.80
	2082.84	2082.84
	2082.84	2082.84
	237.20	230.10
	5.59	7.10
	242.79	237.20
	5396.89	3825.84

Nature and purpose of other equity:

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

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

- (iii). **Items of other comprehensive income**

Remeasurement of equity instruments

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

Remeasurement of defined benefit obligation

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

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

Revaluation surplus

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



Vanya Steels Private Limited
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Notes to the Standalone financial statements for the year ended March 31, 2023
(All amount are in Lakhs, unless otherwise stated)

20 Borrowings (non-current)

Secured - at amortised cost

Term loans:

- from banks Term Loan (refer note 46)

Less: Current maturities

Vehicle loans:

- from banks Vehicle Loan (refer note 46)

Less: Current maturities

Unsecured - at amortised cost

From related parties (refer note 48 and note 46)

Privately placed non-cumulative redeemable preference shares

Footnote:

For terms and Conditions refer note 46

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

For Related Party Transactions refer note 48

	As at March 31, 2023	As at March 31, 2022
Term loans:		
- from banks Term Loan (refer note 46)	3715.86	4071.39
Less: Current maturities	-1097.94	-915.78
Vehicle loans:		
- from banks Vehicle Loan (refer note 46)	63.49	44.10
Less: Current maturities	-16.31	-9.62
Unsecured - at amortised cost		
From related parties (refer note 48 and note 46)	122.27	116.02
Privately placed non-cumulative redeemable preference shares	301.57	267.59
	3088.94	3573.71

21 Lease liabilities (non-current)

Lease liabilities

Footnote:

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

Refer Note 47 for lease liabilities

	As at March 31, 2023	As at March 31, 2022
Lease liabilities	2.87	4.36
	2.87	4.36

22 Provisions (non-current)

Provision for employee benefits

Provision for gratuity (refer note 45)

Provision for compensated absences

	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 45)	17.71	18.01
Provision for compensated absences	7.20	9.01
	24.91	27.03

23 Deferred tax liabilities (net)

Deferred tax liabilities (net) (refer note 52)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net) (refer note 52)	211.45	206.32
	211.45	206.32

24 Other non-current liabilities

Other Long-Term Liabilities

Deferred fair value gain on account of preference shares

Deferred fair value gain on account of unsecured loans

	As at March 31, 2023	As at March 31, 2022
Other Long-Term Liabilities	111.60	99.02
Deferred fair value gain on account of preference shares	356.91	404.52
Deferred fair value gain on account of unsecured loans	32.09	28.43
	500.61	531.97

25 Borrowings (current)

Secured - at amortised cost

Working capital demand loans from banks (refer note 46)

Cash credit from banks (refer note 46)

Current maturities of non-current borrowings (refer note 20)

	As at March 31, 2023	As at March 31, 2022
Working capital demand loans from banks (refer note 46)	1000.00	1000.00
Cash credit from banks (refer note 46)	4471.34	4984.93
Current maturities of non-current borrowings (refer note 20)	1114.25	925.40

Unsecured - at amortised cost

Bills discounted payable (Unsecured)

	As at March 31, 2023	As at March 31, 2022
Bills discounted payable (Unsecured)	9633.73	-
	16219.32	6910.33

Footnote:

For terms & conditions, repayment and nature of security given, refer note 46.

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



26 Lease liabilities (current)

Lease liabilities (refer note 47 and 48)

Footnote:

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

As at March 31, 2023	As at March 31, 2022
1.50	1.37
1.50	1.37

27 Trade payables

Trade payables due:

- (i) total outstanding dues of micro enterprises and small enterprises
- (ii) total outstanding dues of creditors other than micro enterprises and small enterprises

Footnotes:

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

As at March 31, 2023	As at March 31, 2022
99.04	45.44
3116.00	2080.59
3215.04	2126.03

Particulars

Dues of micro and small enterprises

Less than 1 year
1-2 years
2-3 years

98.22
-
0.82

36.17
9.27
-

Dues of creditors other than micro and small enterprises

Less than 1 year
1-2 years
2-3 years
More than 3 years

3101.36
11.37
1.18
2.09

2076.39
1.95
2.02
0.24

3215.04

2126.03

28 Other financial liabilities (current)

Payable for capital goods
Payable for investment
Payable on account of reimbursements to group
Employees related payable
Audit fees payable
Security Deposits Received

31.09
-
59.99
22.07
6.60
9.00

146.25
2.07
-
21.14
4.00
-

128.75

173.46

Footnote:

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

29 Other current liabilities

Advance from customers
Statutory dues payable
Contractual Liability

326.02
427.54
-

1389.20
286.31
36.16

753.56

1711.68

30 Provisions (current)

Provision for employee benefits

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

0.21
0.17
13.51

0.44
0.21
12.15

13.88

12.80

31 Current tax liabilities (net)

Current tax liabilities (net)

103.10

380.51

103.10

380.51



32 Revenue from operations

Sale of products

For the year ended March 31, 2023	For the year ended March 31, 2022
66247.85	55477.88
66247.85	55477.88

Sales of Products includes Sale of Traded Goods amounting to Rs 1,83,80,80,024 (PY-Rs 1,97,62,11,212)

Information required as per Ind AS 115:

Disaggregated revenue information as per geographical markets

Revenue from customers based in India	66247.85	55477.88
Revenue from customers based outside India	-	-

Timing of revenue recognition

Transferred at a point in time	66247.85	55477.88
Transferred over time	-	-

Trade receivables and contract assets/(liabilities)

Trade receivables	4869.71	1620.35
Unbilled revenue	-	-36.16

Performance obligation and remaining performance obligation

There are no remaining performance obligations for the year ended March 31, 2023, as the same is satisfied upon delivery of goods/services.

33 Other income

Interest income (refer note 48)

- on fixed deposits	1.45	1.06
- on security deposits	2.59	2.56
- on security deposits using EIR method	8.82	3.45
- on late payment from customers	-	9.91
- on deferred fair value gain of preference shares	47.78	47.61
- on deferred fair value gain of unsecured loans	9.88	42.28
- on others (Interest Income)	-	11.63
Sundry Balances Written Back	7.95	-
Miscellaneous income	1.31	1.40
	79.78	119.89

34 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw material	6590.48	2162.54
Add: Purchases	54705.26	48148.83
Add: Freight, transportation and loading charges	5078.09	3859.80
Add: Import expenses and high sea purchase expenses	245.97	468.84
Add: Royalty expenses	1245.44	1454.45
Add: Compensation cess	586.93	493.00
Less: Closing stock of raw material	-8079.94	-6590.48
	60372.24	49996.97

36 Changes in inventories of finished goods and work-in-progress

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of Finished Goods	586.77	994.73
Closing stock of Finished Goods	-518.70	-586.77
	68.07	407.96



37 Employee benefit expenses

Salary, wages, bonus and allowances	
Employers' contribution to provident and other funds	
Expenses related to post employment defined benefit plans (Refer note 45)	
Expenses related to compensated absences (Refer note 45)	
Staff and labour welfare expenses	

For the year ended March 31, 2023	For the year ended March 31, 2022
296.95	306.84
15.56	18.48
7.48	9.17
-0.11	2.05
33.17	20.33
353.04	356.86

38 Finance costs

Interest expenses	
- on borrowings	
- on preference shares	
- on lease liabilities (refer note 47)	
- on late payment of statutory dues	
- on fair valuation of Unsecured Loans	
- on fair valuation of Securitiy Deposits	
- on late payment to suppliers	
Other borrowing costs	

Less: Borrowing costs capitalised during the year

For the year ended March 31, 2023	For the year ended March 31, 2022
854.14	493.63
34.15	30.25
0.43	0.54
65.17	5.04
8.76	8.72
10.18	4.20
21.45	3.76
335.64	49.07
-	-127.95
1329.92	467.28

39 Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	
Amortisation of intangible assets (refer note 4)	
Depreciation on right-of-use assets (refer note 5)	

For the year ended March 31, 2023	For the year ended March 31, 2022
508.13	256.97
4.82	-
1.47	1.47
514.42	258.44



Vanya Steels Private Limited
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Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

40 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	712.25	781.54
Village welfare and development expenses	37.81	38.27
Freight and forwarding (net)	19.25	55.94
Commission expenses	62.75	46.53
Security charges	49.73	30.64
Rent and hire charges	232.29	148.33
Insurance	21.46	18.89
Rates and duties	47.98	11.35
Travelling and conveyance	19.89	11.46
Legal and professional expenses (refer footnote)	59.30	27.15
Remuneration to auditors (refer footnote)	3.00	2.00
Charity and donations	12.27	7.97
CSR expenses (refer note 43)	28.97	27.37
Repairs and maintenance expenses	275.26	123.36
Impairment of trade receivables	38.88	105.47
Foreign exchange fluctuation loss	8.16	11.49
Remeasurement loss on fair valuation of financial liability	2.15	-
Miscellaneous expenses	14.14	8.49
	1645.54	1456.24

Footnote:

Payment of remuneration to auditors (excluding GST)

- as auditor

- for statutory audit
- for tax audit

	For the year ended March 31, 2023	For the year ended March 31, 2022
	2.50	1.50
	0.50	0.50
	3.00	2.00

41 Earning per share

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a). Basic and diluted earnings per share		
From continuing operations attributable to the equity holders of the Company	10.33	13.04
(b). Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit from continuing operation attributable to the equity share holders	1565.56	1977.25
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	1565.56	1977.25
(c). Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,51,60,167	1,51,60,167

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



42 Contingent liabilities and commitments

Litigations

Income Tax matters (refer footnote i)

As at March 31, 2023	As at March 31, 2022
29.43	229.31

Capital commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advances of March 31, 2023: ₹ 815.09 lakhs (March 31, 2022: ₹ 151.51 lakhs)

-	26.38
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Footnotes:

- (i) Contingent liability with respect to Income Tax matters is for search action conducted under Section 132 of the Income Tax Act, 1961 and various demands received for AY15-16 to AY20-21.

43 Expenditure on CSR activities

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent during the year	32.07	17.95
Shortfall/ (Excess) amount of previous year	-10.23	-0.81
Total	21.84	17.14
Amount spent during the year on		
- construction/acquisition of any property, plant and equipment	28.97	27.37
- purposes other than above	28.97	27.37
Total	28.97	27.37
Shortfall/ (Excess) amount carried forward to next year	-7.13	-10.23

Footnote:

Nature of CSR activities

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

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

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
- Trade payables for Capital Goods
- Interest due on above

As at March 31, 2023	As at March 31, 2022
77.58	45.44
5.28	-
21.45	-
104.32	45.44

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:-

- Principal
- Interest due on above

82.86	45.44
1.95	

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the amount of interest paid by the company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	520.87	-
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.	19.50	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	21.45	-
The amount of further interest remaining due and payable even in the	21.45	

45 Employee benefits

I. Defined contribution plans:

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

Expense under defined contribution plans include:

Employer's contribution to provident fund

For the year ended March 31, 2023	For the year ended March 31, 2022
12.01	13.72
12.01	13.72

II. Defined benefit plans:

Gratuity

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023 and March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

A. Net defined benefit liability/(asset)

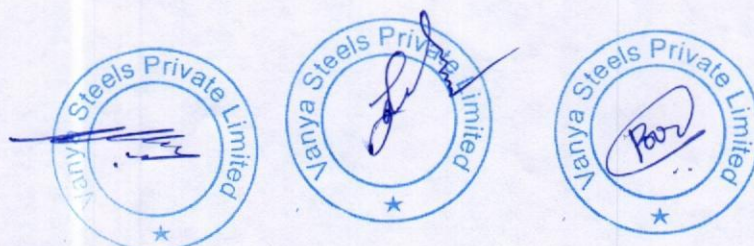
Present value of obligations
Fair value of plan assets
Total employee benefit liabilities/(assets)

As at March 31, 2023	As at March 31, 2022
17.91	18.45
-	-
17.91	18.45

Non-current
Current

17.71 18.01
0.21 0.44

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Notes to the Standalone financial statements for the year ended March 31, 2023
(All amount are in Lakhs, unless otherwise stated)

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B. Reconciliation of the net defined benefit liability

	As at March 31, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	18.45	-	18.45
Included in profit or loss			
Current service cost	6.13	-	6.13
Past service cost	-	-	-
Interest cost/(income)	1.35	-	1.35
Expected return on plan assets	-	-	-
	7.48	-	7.48
Included in OCI			
Remeasurements loss (gain)			
- Actuarial loss (gain) arising from:			
- financial assumptions	0.10	-	0.10
- demographic assumptions	0.03	-	0.03
- experience adjustment	-7.60	-	-7.60
Return on plan assets excluding interest income	-	-	-
	-7.47	-	-7.47
Other			
Contributions paid by the employer	-	-	-
Benefits paid	-0.54	-	-0.54
	-0.54	-	-0.54
Balance at the end of the year	17.91	-	17.91

	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	18.77	-	18.77
Included in profit or loss			
Current service cost	7.88	-	7.88
Past service cost	-	-	-
Interest cost/(income)	1.28	-	1.28
Expected return on plan assets	-	-	-
	9.17	-	9.17
Included in OCI			
Remeasurements loss (gain)			
- Actuarial loss (gain) arising from:			
- financial assumptions	-0.98	-	-0.98
- demographic assumptions	-	-	-
- experience adjustment	-8.50	-	-8.50
Return on plan assets excluding interest income	-	-	-
	-9.48	-	-9.48
Other			
Contributions paid by the employer	-	-	-
Benefits paid	-	-	-
	-	-	-
Balance at the end of the year	18.45	-	18.45

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Expenses recognised in the Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	6.13	7.88
Past service cost	-	-
Net interest cost	1.35	1.28
Expected return on plan assets	-	-

C. Plan assets

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

Plan assets comprises of the following:

	March 31, 2023	March 31, 2022
Total plan assets	-	-
Funds managed by insurer	-	-
% of Plan assets	0%	0%

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

D. Actuarial assumptions

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%	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
Expected rate of attrition	1% - 3%	1% - 3%
Mortality	IALM 2012-14	IALM 2012-14

E. Sensitivity analysis

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

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	15.31	21.11	15.60	22.00
Future salary growth (1.00% movement)	21.07	15.29	21.95	15.59
Attrition rate (50.00% of attrition rate movement)	17.80	18.02	18.22	18.67
Mortality Rate (10.00% of mortality rate movement)	17.92	17.91	18.45	18.45

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

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

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

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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

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Description of Risk Exposures:

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

a). **Salary increase:** Actual salary increases will increase plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b). **Investment risk:** If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c). **Discount rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.

d). **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e). **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the plan's liability.

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

Duration of defined benefit obligation

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

Total

	As at March 31, 2023	As at March 31, 2022
Less than 1 year	0.21	0.44
Between 2-5 years	1.94	2.21
Between 6-10 years	4.95	2.56
Over 10 years	65.77	75.34
Total	72.87	80.54

The weighted average duration of the defined benefit plan obligation at March 31, 2023 is 17 years (March 31, 2022: 19 years).

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

Lender Name	Loan	Amount of Loan/ Sanction Limit	Interest Rate	Tenure (in months)	EMI Start date	Amount outstanding as at March 31, 2023	March 31, 2022
Non-current							
Secured term loans from banks (refer footnote i & iv)							
Axis Bank Limited	Loan 1	1400.00	9.60%	72 (including 3 months moratorium)	July 31, 2019	669.18	962.86
Axis Bank Limited	Loan 2	471.00	9.25%	48 (including 12 months moratorium)	September 30, 2021	222.42	379.42
Axis Bank Limited	Loan 3	2100.00	9.60%	72 (including 12 months moratorium)	April 1, 2022	1672.73	2103.12
Axis Bank Limited	Loan 4	626.00	9.25%	60 (including 24 months moratorium)	November 30, 2023	626.00	626.00
Axis Bank Limited	Loan 5	6160.00	9.30%	60 (including 12 months moratorium)	March 31, 2024	525.54	-
Total term loans from banks						3715.86	4071.39
Secured vehicle loans from banks (refer footnote ii & iv)							
HDFC Bank Limited	Loan 6	10.29	9.10%	60	December 5, 2018	-	3.99
HDFC Bank Limited	Loan 7	8.67	8.30%	84	September 7, 2020	-	7.16
HDFC Bank Limited	Loan 8	41.65	7.85%	47	September 27, 2022	36.71	0
IDFC First Bank Limited	Loan 9	35.00	9.98%	60	November 2, 2021	26.78	32.96
Total vehicle loans from banks						63.49	44.10
Unsecured loans (refer footnote v)							
From related parties				After 6 years	Mar'26 to Feb'29	122.27	116.02
Privately placed non-cumulative redeemable preference shares (refer footnote vi)				After 10 years	Mar'30 to Mar'31	301.57	267.59
Current						423.85	383.61
Cash Credit and Working capital demand loans from banks							
Axis Bank Limited (refer footnote i)	Loan 10	2100.00	9.15%	Repayable on Demand	NA	471.34	4984.93
Axis Bank Limited (refer footnote i)	Loan 11	4000.00	8.70%	Repayable on Demand	NA	4000.00	-
YES Bank Limited (refer footnote iii)	Loan 12	1000.00	9.70%	Repayable on Demand	NA	1000.00	1000.00
YES Bank Limited (refer footnote iii)	Loan 13	1000.00	8.95%	Repayable on Demand	NA	5471.34	5984.93
Total Working capital demand loans from banks							
Bills discounted under TRedS							
RXL				Repayable on Demand	NA	9633.73	-
Total Bills discounted under TRedS						9633.73	-
Total Borrowings						19308.26	10484.04



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Footnotes:

- (i) Security given for loans to Axis Bank Limited is as follows (Loan 1,2,3,4,5,10 & 11)

Primary:

Cash credit (CC) & Working Capital Demand Loans (WC DL)

- Hypothecation of entire current assets of the Company

Letter of credit (LC)

- Goods procured under the LC
- Extension of charge on the current assets of the Company
- Cash margin at 25%

Term loans

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

Collateral:

- Equitable Mortgage of non-agricultural land situated Koppal District in Hierbaganal Village, Koppal Taluk in Survey No. 52/A, 52/B, 53, 54, 55, 48, 58 & 49/A measuring serial 03-10 acres, 02 acres, 02 acres, 04-36 acres, 05-10 acres, 05-08 acres, 04-37 acres, 02-34 acres, 05-00 acres. Total extent of 33 acres 15 guntas standing in the name of Vanya Steels Private Limited.
- Extension of Equitable Mortgage of all piece and parcel of factory land Plot No. Sy No. 57-62 Village Hierbaganal Taluk, Koppal District, Karnataka - 583228 with sheds and building total measuring 39 acres and 25 guntas, property in the name of Vanya Steels Private Limited.
- Exclusive charge by way of hypothecation of unencumbered moveable property plant & equipment of the Company.

Personal Guarantee:

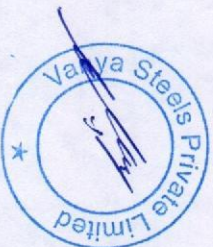
- Sunil Jallan - Director
- Sandeep Kumar - Director

Corporate Guarantee:

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

- (ii) **Security for vehicle loans from banks (Loans 6,7,8 & 9)**

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



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(iii) Security given for working capital demand loans to YES Bank Limited (Loan 12 & 13)

Security details:

- 1st charge Pari Passu by way of Hypothecation on all movable property plant & equipment of the company.
- 1st charge Pari Passu by way of Hypothecation on Current Assets.
- 1st charge Pari Passu by way of Equitable Mortgage of non-agricultural land situated Koppal District in Hirebaganal Village, Koppal Taluk in Survey No. 52/A, 52/B, 53, 54, 55, 48, 58 & 45/A in the name of the Company.

- 1st charge Pari Passu by way of Equitable Mortgage factory land Plot No. Sy No. 57-62 Village Hirebaganal Taluk, Koppal District, Karnataka - 583228 in the name of the Company.

Personal Guarantee:

- 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 and Privately placed non-cumulative redeemable preference shares are initially recorded at fair value and subsequently measured at amortised cost in accordance with Ind AS 109.

(vi) Terms/rights attached to preference shares

- 0.01% Non Cumulative, Non Convertible Redeemable Preference shares of 69,90,000 of Rs 10 each have been issued on private placement basis at their Extra Ordinary General Meeting on multiple dates for a period of 10 years.

(vii) During the year, the company has not defaulted in the repayment of loans to any lender. Further, the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.



Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

47 Leases

A. Leases as a lessee

1. Non-exempted leases

(i) Movement in lease liabilities

Opening balance	
Additions on account of new lease contracts entered into during the year	
Finance cost accrued during the year	
Payment of lease liabilities*	
Closing balance	

As at March 31, 2023	As at March 31, 2022
5.74	7.00
-	-
0.43	0.54
-1.80	-1.80
4.36	5.74

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

Current lease liabilities	
Non-current lease liabilities	

As at March 31, 2023	As at March 31, 2022
1.50	1.37
2.87	4.36
4.36	5.74

(iii) Maturity analysis of lease liabilities

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

Commitments for lease payments in relation to non-exempted leases are payable as follows:

- not later than one year
- later than one year and not later than five years
- later than five years

As at March 31, 2023		
Lease payments	Finance charges	Net present value
1.80	0.30	1.50
3.08	0.21	2.87
-	-	-
4.88	0.51	4.36

Commitments for lease payments in relation to non-exempted leases are payable as follows:

- not later than one year
- later than one year and not later than five years
- later than five years

As at March 31, 2022		
Lease payments	Finance charges	Net present value
1.80	0.43	1.37
4.88	0.51	4.36
-	-	-
6.68	0.94	5.74

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

Depreciation on right-of-use assets	
Finance costs on lease liabilities	

For the year ended March 31, 2023	For the year ended March 31, 2022
1.47	1.47
0.43	0.54
1.89	2.00

(v) Amount recognised in statement of cash flows

Cash flow from financing activities	
Payment of lease liabilities	

For the year ended March 31, 2023	For the year ended March 31, 2022
1.80	1.80
1.80	1.80

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



48 Related party disclosures

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

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

Nature of relationship	Name of related party
Holding company	A-One Steel and Alloys Private Limited
Fellow subsidiary company	A-One Gold Pipes and Tubes Private Limited A-One Gold Steels India Private Limited
Enterprises in which person, who exercise control over the Company, have significant influence or control or is/are KMP	A One Steels India Private Limited Aaryan Hitech Steels India Private Limited Laksh Steels Bellary Tubes Corporation
Key Management Personnel (KMP)	Sunil Jallan Director Sandeep Kumar Director Mahesh Kumar Director (Resigned as on 20th Mar,2023) Pooja Sara Nagaraja Company Secretary
Relatives of KMPs	Priya Jallan Wife of Director

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

Name of Related Party and Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of goods		
A-One Steel and Alloys Private Limited	15227.88	11498.28
A-One Gold Pipes and Tubes Private Limited	-	4.22
A One Steels India Private Limited	6244.37	4033.34
Bellary Tubes Corporation	169.09	-
Purchase of goods		
A-One Steel and Alloys Private Limited	4662.75	13736.74
A One Steels India Private Limited	182.56	281.88
Laksh Steels	4209.54	-
Bellary Tubes Corporation	5770.64	-
Purchase of property, plant & equipment		
A-One Steel and Alloys Private Limited	44.52	66.76
A-One Gold Pipes and Tubes Private Limited	-	0.54
Laksh Steels	-	6.40
Bellary Tubes Corporation	-	5.72
Handling charges		
A-One Steel and Alloys Private Limited	8.94	54.28
Transportation charges		
A-One Steel and Alloys Private Limited	50.73	-
Borrowings taken		
Sandeep Kumar	10.00	8.00
Sunil Jallan	10.00	4.00
Priya Jallan	-	0.55
Borrowings repaid		
Sandeep Kumar	7.14	8.67
Sunil Jallan	3.99	3.97
Priya Jallan	-	0.55
Interest on loans		
Sandeep Kumar	4.32	4.31
Sunil Jallan	4.45	4.41
Interest on lease liabilities		
A-One Steel and Alloys Private Limited	0.43	0.54
Payment of lease liabilities		
A-One Steel and Alloys Private Limited	1.80	1.80



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

Name of Related Party and Nature of Balances	As at March 31, 2023	As at March 31, 2022
Trade receivables		
A-One Steel and Alloys Private Limited	194.86	430.94
A One Steels India Private Limited	1224.97	-
A-One Gold Pipes and Tubes Private Limited	48.21	45.40
Bellary Tubes Corporation	60.32	-
Receivable on account of reimbursements		
A-One Gold Steels India Private Limited	6.06	5.59
Trade Payables		
Bellary Tubes Corporation	-	6.75
Laksh Steels	-	7.55
Advance to Suppliers		
Laksh Steels	296.00	-
Advance from customers		
A One Steels India Private Limited	-	60.80
Payable on account of reimbursements to group		
Aaryan Hitech Private Limited	59.99	-
Borrowings		
Sandeep Kumar	58.91	56.46
Sunil Jallan	63.37	59.57
Corporate guarantee taken (Unexecuted)		
A-One Steel and Alloys Private Limited	17760.00	10600.00
Personal guarantee taken (Unexecuted)		
Sandeep Kumar	17760.00	10600.00
Sunil Jallan	17760.00	10600.00

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, 2023	For the year ended March 31, 2022
		-	-
		-	-

E. Terms and Conditions

- (i) No guarantee fees have been paid for corporate guarantee and personal guarantee taken from holding company and KMPs respectively.
- (ii) For terms and conditions of leases, refer note .

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49 Operating segments

The company is primarily engaged in manufacturing of sponge iron and other steel products. Accordingly there are no separate reportable business segments.

Details of major geographical information and major customers is presented as under:

A. Geographic information

(i) Revenues from different geographies

Within India
Outside India

For the year ended March 31, 2023	For the year ended March 31, 2022
66247.85	55477.88
-	-
66247.85	55477.88

(ii) Non-current assets*

Within India
Outside India

As at March 31, 2023	As at March 31, 2022
9033.18	7458.69
-	-
9033.18	7458.69

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

B. Major customer

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

Customer name	Amount
For the year ended March 31, 2023	
A-One Steel and Alloys Private Limited	15227.88
	15227.88
For the year ended March 31, 2022	
A-One Steel and Alloys Private Limited	11498.28
	11498.28

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50 Fair value measurement and financial instruments

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

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

As at March 31, 2023	FVTOCI			Fair value measurement using		
	FVTOCI	Amortised cost	Cost	Amortised cost	Total	Level 1 Level 2 Level 3
Financial assets						
Non-current						
Investments	45.01				45.01	45.01
Other financial assets		199.90			199.90	199.90
Current						
Trade receivables		4869.71			4869.71	4869.71
Cash and cash equivalents		3353.77			3353.77	3353.77
Other bank balances		30.58			30.58	30.58
Loans		3.76			3.76	3.76
Other financial assets		227.06			227.06	227.06
Total	45.01	8684.78			8729.79	8729.79
Financial liabilities						
Non-current						
Borrowings		3088.94			3088.94	3088.94
Lease liabilities		2.87			2.87	2.87
Current						
Borrowings		16219.32			16219.32	16219.32
Lease liabilities		1.50			1.50	1.50
Trade payables		3215.04			3215.04	3215.04
Other financial liabilities		128.75			128.75	128.75
Total		22656.42			22656.42	22656.42

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Vanya Steels Private Limited
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Notes to the Standalone financial statements for the year ended March 31, 2023
(All amount are in Lakhs, unless otherwise stated)

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As at March 31, 2022	FVTOCI	Amortised cost	Cost	Amortised cost	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets								
Non-current								
Investments	47.77				47.77			47.77
Other financial assets		159.01			159.01			159.01
Current								
Trade receivables		1620.35			1625.94			1625.94
Cash and cash equivalents		845.60			845.60			845.60
Other bank balances		29.52			29.52			29.52
Loans		1.08			1.08			1.08
Other financial assets		347.81			342.22			342.22
Total	47.77	3003.38			3051.14			3051.14
Financial liabilities								
Non-current								
Borrowings		3573.71			3573.71			3573.71
Lease liabilities		4.36			4.36			4.36
Current								
Borrowings		6910.33			6910.33			6910.33
Lease liabilities		1.37			1.37			1.37
Trade payables		2126.03			2126.03			2126.03
Other financial liabilities		173.46			173.46			173.46
Total		12789.27			12789.27			12789.27



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Fair value hierarchy

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

Valuation processes

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

b). Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

(i). Credit risk

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Investments	45.01	47.77
Trade receivables	4869.71	1625.94
Cash and cash equivalents	3353.77	845.60
Bank balances other than cash and cash equivalents	30.58	29.52
Loans	3.76	1.08
Other financial assets	426.95	501.23

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

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

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

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

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

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

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Not due	-	-
0-90 days past due	-	-
90 to 180 days past due	4784.87	1530.89
180-365 days	87.50	13.41
365-730 days	1.48	41.10
More than 730 days	215.11	215.32
Total	5088.97	1800.72

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning	180.37	74.90
Impairment loss recognised	38.88	105.47
Impairment loss utilised	-	-
Balance at the end	219.25	180.37

(ii). Liquidity risk

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

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

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

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

Exposure to liquidity risk

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

As at March 31, 2023	Carrying amount	Contractual cash flows			
		Less than one year	Between one to five years	More than five years	Total
Borrowings	19308.26	16219.32	2787.37	301.57	19308.26
Lease liabilities	4.36	1.50	2.87	-	4.36
Trade payables	3215.04	3215.04	-	-	3215.04
Other financial liabilities	128.75	128.75	-	-	128.75
Total	22656.42	19564.61	2790.23		22656.42

As at March 31, 2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one to five years	More than five years	Total
Borrowings	10484.04	6910.33	3306.12	267.59	10484.04
Lease liabilities	5.74	1.37	4.36	-	5.74
Trade payables	2126.03	2126.03	-	-	2126.03
Other financial liabilities	173.46	173.46	-	-	173.46
Total	12789.27	9211.20	3310.48		12789.27

(iii). Market risk

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

a. Interest rate risk

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

Exposure to interest rate risk

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

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Variable-rate instruments

Secured term loans
Working capital demand loans
Cash Credits
Bills Discounted under TREDs
Total

As at March 31, 2023	As at March 31, 2022
3715.86	4071.39
5000.00	1000.00
471.34	4984.93
9633.73	-
18820.93	10056.33

Cash flow sensitivity analysis for variable-rate instruments

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

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

	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Secured term loans				
For the year ended March 31, 2023	-18.58	18.58	-13.90	13.90
For the year ended March 31, 2022	-20.36	20.36	-15.23	15.23
Working capital demand loans				
For the year ended March 31, 2023	-25.00	25.00	-18.71	18.71
For the year ended March 31, 2022	-5.00	5.00	-3.74	3.74
Cash Credits				
For the year ended March 31, 2023	-2.36	2.36	-1.76	1.76
For the year ended March 31, 2022	-24.92	24.92	-18.65	18.65
Bills Discounted under TREDs				
For the year ended March 31, 2023	48.17	-48.17	36.05	-36.05
For the year ended March 31, 2022	-	-	-	-

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b. Currency risk

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

Exposure to foreign currency risk

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

51 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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

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

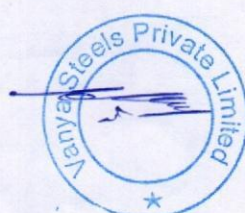
Borrowings
Less: Cash and bank balances
Adjusted net debt (A)

Total equity (B)

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

As at March 31, 2023	As at March 31, 2022
19308.26	10484.04
3384.35	875.12
15923.91	9608.93
6912.90	5341.86
230%	180%

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52 Income taxes

A. Amounts recognised in the Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expense		
Current tax	475.58	661.74
Deferred tax expense	-	-
Change in recognised temporary differences	3.25	15.03
	478.83	676.77

B. Amounts recognised in Other Comprehensive Income

	For the year ended March 31, 2023		
	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	7.47	1.88	5.59
	7.47	1.88	5.59
	For the year ended March 31, 2022		
	Before tax	Tax (expense)/ income	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement of equity instruments	-	-	-
Remeasurements of defined benefit obligations	9.48	2.39	7.10
	9.48	2.39	7.10

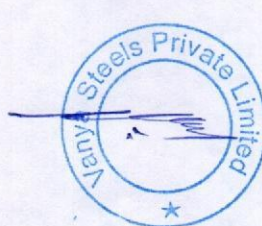
C. Reconciliation of effective tax rate

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	25.17%	2044.40	25.17%	2654.02
Tax using the Company's domestic tax rate		514.53		667.96
Tax effect of:				
Finance costs on fair valuation of Financial Assets/Liability		14.54		18.20
Finance income on fair valuation of Financial Assets/Liability		-16.73		-22.62
Expenditures disallowed under the Income Tax Act		2.57		11.80
Other adjustments		-36.07		1.44
		478.83		676.77

D. Movement in deferred tax balances

	As at March 31, 2022	Recognised in P&L	Recognised in OCI	As at March 31, 2023
Deferred tax assets				
Security deposits		-	-	-
Trade receivables	45.40	9.79	-	55.18
Provisions for employee benefits	10.02	-1.87	-1.88	6.27
Contract liability as per Ind AS 115	9.10	-9.10	-	-
Leases	0.07	0.02	-	0.10
Others	0.19	106.47	-	106.66
Sub- Total (a)	64.78	105.30	-1.88	168.20
Deferred tax liabilities				
Property, plant & equipment	268.13	0.68	-	268.81
Borrowings	2.97	107.88	-	110.84
Sub- Total (b)	271.10	108.55	-	379.65
Deferred tax liabilities (net) (b) - (a)	206.32	3.25	1.88	211.45

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Vanya Steels Private Limited
(CIN: U74999KA2005PTC125578)

Notes to the Standalone financial statements for the year ended March 31, 2023

(All amount are in Lakhs, unless otherwise stated)

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Movement in deferred tax balances

Deferred tax assets

	As at March 31, 2021	Recognised in P&L	Recognised in OCI	As at March 31, 2022
Security deposits	-	0.19	-	0.19
Trade receivables	18.85	26.55	-	45.40
Provisions for employee benefits	9.88	2.53	-2.39	10.02
Contract liability as per Ind AS 115	8.08	1.02	-	9.10
Leases	0.02	0.05	-	0.07
Sub- Total (a)	36.83	30.34	-2.39	64.78

Deferred tax liabilities

Property, plant & equipment	222.03	46.10	-	268.13
Borrowings	3.70	-0.74	-	2.97
Sub- Total (b)	225.74	45.36	-	271.10

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

	188.90	15.03	2.39	206.32
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53 Key Financial Ratios

Key financial ratios along with the details of significant changes (25% or more) in FY 2022-23 compared to FY 2021-22 is as follows:

(A). Ratios	Formulae	For the year ended		% Change	Reason for change
		March 31, 2023	March 31, 2022		
a) Current ratio (in times)	Current assets / Current liabilities	1.13	1.28	-11.69%	Less than 25%
b) Debt equity ratio (in times)	Debt / Shareholders' equity	2.79	1.96	42.31%	Refer footnote B(i)
c) Debt service coverage ratio (in times)	Earnings available for debt services / (Repayment of borrowings + Interest)	1.98	2.38	-17.05%	Less than 25%
d) Return on Equity Ratio (%)	Profit/(loss) after taxes / Total equity	22.65	37.01	-38.82%	Refer footnote B(ii)
e) Return on Capital Employed Ratio (Pre tax) (%)	Earning before interest & tax / Capital employed	31.41	32.23	-2.53%	Less than 25%
f) Net profit ratio (%)	Net profit / Revenue from operations	2.36	3.56	-33.69%	Refer footnote B(iii)
g) Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	7.66	9.75	-21.45%	Less than 25%
h) Trade Receivable Turnover Ratio (in times)	Credit sales / Average trade receivables	20.42	31.29	-34.75%	Refer footnote B(iv)
i) Trade payables turnover ratio (in times)	Credit purchases / Average trade payables	20.48	28.60	-28.38%	Refer footnote B(v)
j) Net capital Turnover Ratio (in times)	Revenue from operations / Average working capital	26.82	17.49	53.34%	Refer footnote B(vi)

Return on Investment Ratio is not applicable to the Company. Refer Note 8

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

- (i). Increase in Unsecured Short Term Borrowings
- (ii). Increase in Interest Cost due to Unsecured Short Term Borrowings
- (iii). Increase in Interest Cost due to Unsecured Short Term Borrowings
- (iv). Increase in Trade Receivables
- (v). Increase in Trade Payables
- (vi). Increase in Unsecured Short Term Borrowings

(C). Formulas

- (i) Current Assets=Total Current Assets
- (ii) Current Liabilities=Total Current Liabilities-Current Maturities of Long Term Debt
- (iii) Debt=Long Term & Short Term Borrowings
- (iv) Shareholders's Fund=Total Equity
- (v) Earnings available for debt services=Earnings before Interest, Tax and Depreciation & Amortization
- (vi) Repayment of Borrowings+Interest=Current Maturity of Long term Debt +Finance Cost on Borrowings
- (vii) Profit/(loss) after taxes=Profit after Tax
- (viii) Total equity=Total Closing Equity
- (ix) Capital Employed=Total Assets-Current Liabilities
- (x) Earning before interest & tax=Profit before Tax+Finance Cost
- (xi) Net Profit=Net Profit after Taxes
- (xii) Revenue from Operations=Total Revenue from Operations
- (xiii) Cost of Goods Sold=Cost of materials consumed+Changes in inventories of finished goods and work-in-progress
- (xiv) Average Inventory=(Opening Inventory+Closing Inventory)/2
- (xv) Credit Sales=Total Sales
- (xvi) Average Trade receivables=(Opening Trade Receivables+Closing Trade Receivables)/2
- (xvii) Credit purchases=Purchase of Materials
- (xviii) Average Trade Payables=(Opening Trade Payables+Closing Trade Payables)/2
- (xix) Revenue from Operations=Total Revenue from Operations
- (xx) Average working capital=(Opening Working Capital+Closing Working Capital)/2
- (xxi) Working Capital=Current Assets-Current Liabilities



54 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

Quarter	Aggregate working capital limits sanctioned	Amount utilised during the quarter	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reasons for material discrepancies
June 2022	7100.00	5345.40	10882.85	10825.51	57.35	Refer footnotes
September 2022	7100.00	6017.38	9477.91	9745.66	-267.75	Refer footnotes
December 2022	7100.00	6775.63	12799.83	12527.93	271.90	Refer footnotes
March 2023	8100.00	5471.34	10016.21	9829.48	186.73	Refer footnotes

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	2100.00	2047.59	5602.18	5637.33	-35.15	Refer footnotes
September 2021	2100.00	1917.95	4429.16	4396.61	32.55	Refer footnotes
December 2021	2100.00	1942.27	6655.19	6871.24	-216.05	Refer footnotes
March 2022	7100.00	5984.93	9617.47	8688.28	929.19	Refer footnotes

Footnotes

- (i) The differences are on account of statement filed with the banks prepared based on provisional basis and regrouping of various ledgers.
(ii) While arriving the drawing power the creditors are adjusted from bank balances available as on respective quarters and net debtors submitted to bank after excluding more than 90 days.
(iii)

(iv) The Company has a practice of submitting net position of debtors, advances to suppliers, inventory and deducting creditors, advance from customers. Unsecured Bills Discounted with RXL. Therefore for comparing with the books of accounts the same practice has been followed to arrive at the net position though there is a change in classification in the financial statements.

(v) In respect of March 2023, the Company has included the available Bank balances and unutilised Cash Credit / Working Capital Demand Loans balances while submitting to the banks. However, additional limit of Rs. 10,00,00,000/- was not set up on the Axis Bank portal, though it was sanctioned in Mar-23. The same is manually adjusted in the figures as per books of accounts column.

(vi) In respect of September 2022, the Company has accounted certain purchases amounting to Rs.6,70,36,414 which had been omitted to be accounted in books at time of sharing the stock statements. The same is manually adjusted in the figures as per books of accounts column.



- 55 The Parliament of India has approved new Labour Codes which would impact the contributions by the Company towards Provident Fund, Employee State Insurance and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Codes become effective and the related rules are published.
- 56 The Company does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- 57 The Company does not have any immovable property (other than properties where the Company is a lessee and the lease agreements are duly executed in the favour of the lessee) whose title deeds are not held in the name of the Company.
- 58 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 59 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 60 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 61 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 62 The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies ("ROC") beyond the statutory period.
- 63 The Company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 64 The Company has not been declared a wilful defaulter by any bank or financial institutions or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 65 The Company has not used any borrowings from banks and financial institutions for purpose other than for which it was taken.
- 66 These financial statements were approved for issue by the Board of Directors on September 27, 2023.
- 67 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.

For R. Singhvi & Associates

Chartered Accountants

ICAI FRN: 003879S

G. PAVAN KUMAR

Partner

Membership No.: 228771

Place: Bengaluru

Date: 27/09/2023



For and on behalf of the Board of Directors of

Vanya Steels Private Limited

Sunil Jallan

Director

DIN: 02150846

Place: Bengaluru

Date: 27/09/2023



Sandeep Kumar

Director

DIN: 02112630



Pooja Sara Nagaraja

Company Secretary

M. No.: A52496

42 Contingent liabilities and commitments

Litigations

Income Tax matters (refer footnote i)

As at March 31, 2023	As at March 31, 2022
29.43	229.31

Capital commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advances of March 31, 2023: ₹ 815.09 lakhs (March 31, 2022: ₹ 151.51 lakhs)

-	26.38
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Footnotes:

- (i) Contingent liability with respect to Income Tax matters is for search action conducted under Section 132 of the Income Tax Act, 1961 and various demands received for AY15-16 to AY20-21.

43 Expenditure on CSR activities

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent during the year	32.07	17.95
Shortfall/ (Excess) amount of previous year	-10.23	-0.81
Total	21.84	17.14
Amount spent during the year on		
- construction/acquisition of any property, plant and equipment		
- purposes other than above	28.97	27.37
Total	28.97	27.37
Shortfall/ (Excess) amount carried forward to next year	-7.13	-10.23

Footnote:

Nature of CSR activities

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

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

	As at March 31, 2023	As at March 31, 2022
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	77.58	45.44
- Trade payables for Capital Goods	5.28	-
- Interest due on above	21.45	-
	104.32	45.44

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:-

- Principal	82.86	45.44
- Interest due on above	1.95	-

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