

VANYA STEELS PRIVATE LIMITED

**Financial Statements & Audit Report
31 March 2020**

CIN : U74999KA2005PTC125578

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

INDEPENDENT AUDITORS' REPORT

To
The Members of 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 March 31, 2020, and the Statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Emphasis of Matter

We invite attention to **Note No. 11** of the Notes to Account which describes the impact of COVID-19, a global pandemic, on the operations and financial matters of the company.

Our opinion is not modified in respect of this matter

Information other than the financial statements and auditors' report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i), 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.

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning



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the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B", 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, 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 and the statement of profit and loss and statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



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(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, in our opinion and to the best of our information and according to the explanations given to us: -

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the investor education and protection fund by the company.

For **R. SINGHVI & ASSOCIATES**

Chartered Accountants

Firm's Registration No. 003870S



Subhash Singhvi

Partner

Membership No. 024534

UDIN: 20024534AAAAJQ4679

Place: Bengaluru

Date: 16-12-2020

Annexure "B" 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)

1. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any immovable properties; therefore reporting under this order is not applicable.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has not granted any secured or unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has made investments in shares of a body corporate covered under section 186 of the Companies Act, 2013. All the provisions of Sec 186 are complied with.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the activities carried on by the company. All the accounts and records as specified have been maintained properly.
7. 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the company has not made any default in repayment of borrowings to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.



R. Singhvi & Associates
Chartered Accountants

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has made private placement of shares during the year. Accordingly, paragraph 3(xiv) of the order is applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bengaluru
Date: 16-12-2020

For **R. SINGHVI & ASSOCIATES**
Chartered Accountants
Firm Registration No: 003870S



Subhash Singhvi
Partner
M No.024534

UDIN:20024534AAAAJQ4679

ANNEXURE - A 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 2020 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, 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 31 March 2020, 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's Registration No. 003870S
Subhash Singhvi
Partner
Membership No. 024534
UDIN: 20024534AAAAJQ4679

Place: Bengaluru
Date: 16-12-2020








VANYA STEELS PRIVATE LIMITED

Year Ended : 31/3/2020
Asst. Year : 2020-21
Status : Private Limited
D.O.I. : 20/06/2005

PAN : AACCV0767E
Address : A-One House No 326, Back Portion
First Floor, Ward No 08 CQAL Layout,
Sahakarnagar
Bengaluru - 560092

COMPUTATION OF TOTAL INCOME & TAX LIABILITY	Amount in Rs	Amount in Rs	Amount in Rs
Income from Business			
Net Profit as per Profit & Loss A/c		6,05,26,048	
Add : Depreciation As per Companies Act 2013		1,18,45,476	
Disallowance of Expenses under section 40(a)(ia)		35,400	
Gratuity Disallowed under Sec 40(A)(7)		10,25,748	
Bonus disallowed u/s 43B		6,68,712	
Leave Encashment (Compensated Absences) Disallowed under Sec 43B		2,52,235	
Donation Disallowed U/s 37(1)		1,74,895	
Interest on TDS Disallowed U/s 40(a)(ii)		10,58,240	
		7,55,86,754	
Less : Depreciation as per Income Tax Rule, 1962		(2,64,79,034)	
Leave Encashment allowed under Sec 43B on payment basis		(71,264)	
Bonus allowed under Sec 43B on payment basis		(82,585)	
Interest Income - Income Taxable under Other Heads		(5,54,704)	
Interest on Income Tax Refund - Income Taxable under Other Heads		(38,052)	
		4,83,61,115	4,83,61,115
Income from other Sources			
Interest Income		5,54,704	
Interest on Income Tax Refund		38,052	
		5,92,756	5,92,756
Total Income			4,89,53,871
Less: Set-off for Business Loss and Unabsorbed Depreciation		4,89,53,871	(4,89,53,871)
Gross Total Income			
Option I -U/s -115BAA @ 22% (MAT is not applicable)			
Tax thereon @ 22% u/s -115BAA		-	
Surcharge @ 10%		-	
Education Cess @ 4%		-	
Tax thereon		-	
Less : TDS and TCS		(17,21,185)	
Tax Payable (Refundable) as per Option I		(17,21,185)	
Option II -U/s -Normal Provision @ 25% (MAT is applicable)			
Tax thereon @ 25%		-	
Education Cess @ 4%		-	
Tax thereon		-	
Tax Liability U/S 115 JB			
Profit After tax as per Books	4,42,91,524		
Add : Deferred Tax	1,62,34,524		
Less : Lower of brought forward unabsorbed Depreciation or Business Loss, whichever is lower	(34,69,860)		
		5,70,56,188	
MAT Tax @ 15%		85,58,428	
Surcharge @ 7%		5,99,090	
Add : Education Cess @ 4%		3,66,301	
		95,23,819	
Tax Liability (Higher of A or B)		95,23,819	
Less : TDS and TCS		(17,21,185)	
		78,02,634	
Less : Advance Tax Paid		78,02,634	
Add : Interest u/s 234A		1,56,053	
Interest u/s 234B		7,02,237	
Interest u/s 234C		3,94,033	
		90,54,960	
Tax Payable (Refundable) as per Option II			(17,21,185)
Tax Payable (Refundable)			



VANYA STEELS PRIVATE LIMITED (Subsidiary of A-ONE STEEL & ALLOYS PRIVATE LIMITED) CIN : U74999KA2005PTC125578 Address : A-one House No 326, Back Portion, First Floor, Ward No 08 CQAL Layout, Sahakarnagar, Bangalore KA 560092 IN BALANCE SHEET AS AT 31ST MARCH, 2020			
Particulars	Note No.	As at 31 March 2020 Rs.	As at 31 March 2019 Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2A	17,95,01,670	11,66,01,670
Reserves and Surplus	2B	8,20,16,296	3,77,24,772
		26,15,17,966	15,43,26,442
NON CURRENT LIABILITIES			
Long Term Borrowings	2C	26,05,58,498	26,23,99,295
Other Long Term Liabilities	2D	4,23,58,104	4,46,08,104
Long Term Provisions	2E	19,41,837	7,36,059
		30,48,58,439	30,77,43,458
CURRENT LIABILITIES			
Short-Term Borrowings	2F	8,38,43,776	9,34,69,232
Trade Payables	2G		
1.Total outstanding dues of micro, small and medium enterprises		3,25,852	-
2.Total outstanding dues of creditors other than MSME		16,19,19,605	23,10,33,890
Other Current Liabilities	2H	7,99,18,561	18,25,52,627
Short-Term Provisions	2I	8,30,846	2,50,991
		32,68,38,640	50,73,06,740
TOTAL		89,32,15,045	96,93,76,640
ASSETS			
NON CURRENT ASSETS			
Property Plant and Equipment	2J		
Tangible Assets		36,25,57,459	35,52,25,603
Capital Work in Progress		59,92,538	-
Non Current Investments	2K	45,00,917	44,99,809
Long Term Loans And Advances	2L	48,69,903	35,96,200
Deferred Tax Assets (Net)	2M	2,40,72,016	4,03,06,539
		40,19,92,833	40,36,28,151
CURRENT ASSETS			
Inventories	2N	20,05,27,419	35,82,61,970
Trade Receivables	2O	21,62,23,696	16,53,79,063
Cash and cash equivalents	2P	37,94,428	1,17,24,870
Short Term Loans and Advances	2Q	5,67,24,113	99,39,123
Other Current Assets	2R	1,39,52,556	2,04,43,463
		49,12,22,212	56,57,48,489
TOTAL		89,32,15,045	96,93,76,640
The accompanying notes are an integral part of the financial statements <i>This is the Balance Sheet referred to in our report of even date.</i>			
FOR R. SINGHVI & ASSOCIATES Chartered Accountants ICAI FRN NO. 038705  SUBHASH CHAND SINGHVI Partner M.No. 024534 Place : Bengaluru Date: 16/12/2020		For and on behalf of the Board of Directors  SUNIL JALLAN ALIAS JULLIAN JALLAN Director DIN: 02150846 Place: Bengaluru   SANDEEP KUMAR Director DIN: 02112630 Place: Bengaluru   POOJA SARA NAGARAJA Company Secretary Place: Bengaluru 	

VANYA STEELS PRIVATE LIMITED
(Subsidiary of A-ONE STEEL & ALLOYS PRIVATE LIMITED)
CIN : U74999KA2005PTC125578

Address : A-one House No 326, Back Portion, First Floor, Ward No 08 CQAL Layout, Sahakarnagar, Bangalore KA
560092 IN

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	For the Year ended 31 March 2020 Rs.	For the Year ended 31 March 2019 Rs.
INCOME			
Revenue from Operations	3A	2,48,30,94,340	1,75,64,15,826
Other Income	3B	45,05,365	41,41,107
		2,48,75,99,705	1,76,05,56,933
EXPENDITURE			
Cost of Raw Materials and Components Consumed	3C	2,23,89,41,370	1,62,99,83,350
Changes in Inventory of Finished Goods	3D	2,69,75,495	(2,35,69,275)
Employee Benefit Expenses	3E	2,91,06,068	97,85,242
Finance Costs	3F	2,37,32,244	1,17,80,497
Depreciation and amortization Expenses	2J	1,18,45,476	80,04,100
Other Expenses	3G	9,64,73,003	7,10,47,570
		2,42,70,73,657	1,70,70,31,484
PROFIT BEFORE PRIOR PERIOD ITEM		6,05,26,048	5,35,25,449
PRIOR PERIOD ITEM (tax)		-	-
PROFIT BEFORE TAX		6,05,26,048	5,35,25,449
TAX EXPENSE			
Current Tax		-	1,51,908
Mat Credit (Avalied)/Utilised		-	-
Tax for Earlier period		-	(21,70,669)
Deferred Tax Charge/(Credit)		1,62,34,524	(4,20,45,341)
		1,62,34,524	(4,40,64,103)
PROFIT FOR THE PERIOD		4,42,91,524	9,75,89,551
EARNINGS PER SHARE			
Basic & Diluted		3.15	8.37

The accompanying notes are an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For **R. SINGHVI & ASSOCIATES**

Chartered Accountants
ICAI FRN NO. 003870S

For and on behalf of the Board of Directors

SUBHASH CHAND SINGHVI

Partner

M.No. 024534

Place : Bengaluru

Date: 16/12/2020

SUNIL JALLAN ALIAS JULLIAN

JALLAN

Director

DIN: 02150846

Place: Bengaluru

SANDEEP KUMAR

Director

DIN: 02112630

Place: Bengaluru

POOJA SARA NAGARAJA

Company Secretary

Place: Bengaluru

VANYA STEELS PRIVATE LIMITED
(Subsidiary of A-ONE STEEL & ALLOYS PRIVATE LIMITED)
CIN : U74999KA2005PTC125578

Address : A-one House No 326, Back Portion, First Floor, Ward No 08 CQAL Layout, Sahakarnagar, Bangalore KA 560092 IN
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the Year ended 31 March 2020 Rs.	For the Year ended 31 March 2019 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) from continuing operations before tax		6,05,26,048	5,35,25,449
Adjustments for:			
Depreciation and Amortisation		1,18,45,476	80,04,100
Finance Charges		2,37,32,244	1,18,55,424
Operating profit from continuing operations before working capital changes		9,61,03,768	7,33,84,972
Changes in working capital:			
(Increase)/Decrease in Loans and Advances		(4,67,84,990)	(65,53,036)
(Increase)/Decrease in Debtors		(5,08,44,633)	(9,86,17,190)
(Increase)/Decrease in Inventory		15,77,34,551	(21,46,94,078)
(Increase)/Decrease in Other Current Assets		64,90,907	1,29,06,625
Increase/(Decrease) in Short Term Provisions		5,79,855	(19,19,679)
Increase/(Decrease) in Short Term Borrowings		(96,25,456)	9,31,41,687
Increase/(Decrease) in Trade Payables		(6,87,88,433)	16,25,62,298
Increase/(Decrease) in Current Liabilities and Provisions		(10,28,83,231)	10,22,35,398
Cash generated from continuing operations		(1,80,17,662)	12,24,46,996
Taxes paid		-	(20,18,761)
Net cash generated from continuing operations		(1,80,17,662)	12,44,65,758
Net cash used in discontinuing operations		-	-
Net cash generated from operating activities	A	(1,80,17,662)	12,44,65,758
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets and changes in capital work-in-progress		(2,48,02,801)	(19,83,03,389)
Increase in Non Current Investments		(1,107)	(44,99,809)
Subsidy Received from Government		-	-
Net cash used in investing activities	B	(2,48,03,908)	(20,28,03,198)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long-Term Borrowings (Net)		(40,90,797)	9,61,95,395
Finance Charges		(2,26,44,371)	(1,18,55,424)
Repayment of Long Term Borrowings		-	-
Long Term Loans and Advances		(12,73,703)	(67,700)
Issue of Equity Shares		3,50,00,000	-
Issue of Preference Shares		2,79,00,000	-
Net cash used in financing activities	C	3,48,91,128	8,42,72,272
Net Decrease in Cash and Cash Equivalents	A+B+C	(79,30,441)	59,34,831
Cash and Cash Equivalents at the beginning of the year		1,17,24,869	57,90,038
Cash and Cash Equivalents at the end of the year		37,94,428	1,17,24,869
Components of Cash and Cash Equivalents			
Cash and Bank Balance		37,94,428	1,17,24,870
Less: Margin Money Deposits		-	-
Cash and Cash Equivalents at the end of the year		37,94,428	1,17,24,870

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

For **R.SINGHVI & ASSOCIATES**

Chartered Accountants

ICAI FRN NO. 003870S

SUBHASH CHAND SINGHVI

Partner

M.No.024534

Place : Bengaluru

Date: 16/12/2020

For and on behalf of the Board of Directors

SUNIL JALLAN ALIAS JULLIAN

JALLAN

Director

DIN: 02150846

Place: Bengaluru

SANDEEP KUMAR

Director

DIN: 02112630

Place: Bengaluru

POOJA SARA NAGARAJA

Company Secretary

Place: Bengaluru

	As On 31 March 2020 Rs.	As On 31 March 2019 Rs.
NOTE 2A		
SHARE CAPITAL		
Authorised		
Equity shares	16,00,00,000	11,75,00,000
1,60,00,000 Equity shares of Rs. 10 each (P.Y. 1,17,50,000 Equity Shares of Rs. 10 each)		
Preference shares		
40,00,000 Preference shares of Rs. 10 each	4,00,00,000	-
Total	20,00,00,000	11,75,00,000
Issued, Subscribed and Paid up		
Equity shares		
1,51,60,167 Fully Paid Equity Shares of Rs. 10 each (P.Y. 1,16,60,167 Equity Shares of Rs. 10 each)	15,16,01,670	11,66,01,670
Preference shares		
27,90,000 Fully Paid Preference Shares of Rs. 10 each	2,79,00,000	-
Total	17,95,01,670	11,66,01,670

Terms/Rights attached to Equity Shares

i) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to number of equity shares held by the shareholders.

Terms/Rights attached to Preference Shares

The company has issued non-cumulative redeemable preference shares where the dividend is paid at the rate of 0.01% per annum on the nominal value. The preference shares can be redeemed after one year and on or before the expiry of 10 years from the date of allotment of preference shares with 6% redemption premium on face value of shares.

ii) No shares were reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts.

iii) There was no Shares issued for Non-Cash Consideration.

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares at the beginning of the year	1,16,60,167		11,66,01,670	11,66,01,670
Shares Issued during the year	35,00,000		3,50,00,000	-
Shares at the end of the Year	1,51,60,167		15,16,01,670	11,66,01,670



Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
Preference Shares				
Shares at the beginning of the year	-	-	-	-
Shares Issued during the year	27,90,000	2,79,00,000	-	-
Shares at the end of the Year	27,90,000	2,79,00,000	-	-
The details of Shareholders holding more than 5% Shares in the company are given below				
Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
A-One Steel and Alloys Private Limited	1,51,60,166	99.99%	1,16,60,166	99.99%
The details of Preference Shareholders holding more than 5% Shares in the company are given below				
Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
Anguri Devi	1,40,000	5.02%	-	-
Jyoti	1,50,000	5.38%	-	-
Kiran Bala	2,00,000	7.17%	-	-
Narrbada Devi	2,80,000	10.04%	-	-
Nishi Kant Marodia	2,50,000	8.96%	-	-
Pushpalata Choudhary	1,50,000	5.38%	-	-
Sanjay Kumar Goyal	1,50,000	5.38%	-	-
Sathyanarayan	4,00,000	14.34%	-	-
Arun Choudhary	1,50,000	5.38%	-	-
NOTE 2B				
RESERVES AND SURPLUS				
a) Securities Premium				
Opening Balance		20,82,83,670	20,82,83,670	
Add: Securities premium credited on share issue		-	-	
Closing Balance as on 31 March		20,82,83,670	20,82,83,670	
b) Surplus in statement of Profit and loss statement				
Beginning of the year		(8,11,12,967)	(17,87,02,519)	
Profit (loss) for the year		4,42,91,524	9,75,89,552	
Closing Balance as on 31 March		(3,68,21,443)	(8,11,12,967)	
c) Revaluation Reserve				
On Account of revaluation of Asset and Liabilities due to takeover of Business		(8,94,45,931)	(8,94,45,931)	
Total as on 31 March (a+b+c)		8,20,16,296	3,77,24,772	



NOTE 2C**LONG TERM BORROWINGS****Secured Loans - From Banks**

Term Loan	13,23,50,000	10,00,00,000
Vehicle Loan	7,98,660	9,74,197
	13,31,48,660	10,09,74,197
Less: Current Maturities of Long Term Debts	(1,62,00,000)	(76,50,000)
	11,69,48,660	9,33,24,197

*(Secured against hypothecation of Land and Building, Plant & Machinery & Corporate Guarantee of Holding Company M/s A-ONE STEEL AND ALLOYS PRIVATE LIMITED) (Refer Note No. 10 for Terms of Repayment)

Un-Secured**Loans and Advances from Related Parties**

Sandeep Kumar	73,34,740	75,00,000
Sunil Jallan alias Jullian Jallan	75,00,000	75,00,000
Ambe Metals	2,67,75,098	5,20,75,098
	4,16,09,838	6,70,75,098

Others - Inter Corporate Loan

Others	10,20,00,000	10,20,00,000
	10,20,00,000	10,20,00,000

Total**26,05,58,498 26,23,99,295****NOTE 2D****OTHER LONG TERM LIABILITIES**

(a) Others	4,23,58,104	4,46,08,104
	4,23,58,104	4,46,08,104

NOTE 2E**LONG TERM PROVISIONS**

Provision for Gratuity	12,75,232	2,51,111
Provision for Compensated Absences	6,66,605	4,84,948
Total	19,41,837	7,36,059

NOTE 2F**SHORT TERM BORROWINGS****Secured Borrowings****Loans repayable on Demand****(a) From Bank**

Overdraft Facility	8,38,43,776	9,34,69,232
(Refer Note 10 for Terms of Repayment)		
Total	8,38,43,776	9,34,69,232

NOTE 2G**Unsecured, considered good****Trade Payables**

1.Total outstanding dues of Micro, Small and Medium enterprises	3,25,852	-
2.Total outstanding dues of creditors other than Micro,	16,19,19,605	23,10,33,890
Total	16,22,45,457	23,10,33,890



NOTE 2H**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts (Refer Note 2C)	1,62,00,000	76,50,000
Advances from Customers	3,95,59,735	14,70,15,608
Balance with Statutory Authority	1,35,85,149	2,19,74,183
Payable for Capital Goods	3,67,070	-
Audit Fees Payable	93,000	1,08,000
Salary & Wages Payable	18,39,613	10,66,937
Expenses Payable	71,86,122	42,42,284
Interest on TL Payable	10,87,873	4,95,616
Total	7,99,18,561	18,25,52,627

NOTE 2I**SHORT-TERM PROVISIONS**

Provision for Income Tax (Net off taxes)	-	1,51,908
Provision for Bonus	6,68,712	82,585
Provision for Bad Debts	1,44,695	-
Provision for Gratuity	2,639	1,012
Provision for Compensated Absences	14,800	15,486
Total	8,30,846	2,50,991



	As On 31 March 2020 Rs.	As On 31 March 2019 Rs.
NOTE 2K		
NON - CURRENT INVESTMENTS		
Investments in Equity Instruments (Unquoted Investments)		
Shares in Atria Wind Power Private Limited	45,00,917	44,99,809
(20,322 Equity Shares @ Rs 100 face value, Premium Rs 121.48, fully paid up) (PY 20,317 Equity Shares @ Rs 100 face value, Premium Rs 121.48, fully paid up)		
Total	45,00,917	44,99,809
NOTE 2L		
LONG TERM LOANS AND ADVANCES		
Security Deposits	48,59,903	35,86,200
Sales Tax Deposit	10,000	10,000
Total	48,69,903	35,96,200
NOTE 2M		
DEFERRED TAX ASSET/ (LIABILITY), NET		
Deferred Tax Asset	2,40,72,016	4,03,06,539
Total	2,40,72,016	4,03,06,539
NOTE 2N		
INVENTORIES		
a) Raw Materials		
-Coal	6,02,31,188	22,00,97,440
-Iron Ore Pellets	8,40,00,601	2,13,65,882
-Iron Ore Lumps/Fines	1,36,78,114	5,07,71,532
b) Finished Goods		
- Sponge Iron	2,86,33,270	5,56,08,765
c) Consumables Stores & Spares	1,39,84,246	1,04,18,351
Total	20,05,27,419	35,82,61,970
NOTE 2O		
TRADE RECEIVABLES		
Outstanding more than 6 months		
-Unsecured, considered good	14,46,947	7,49,827
Others (Unsecured, considered good)	21,47,76,750	16,46,29,236
Total	21,62,23,696	16,53,79,063



NOTE 2P**Cash and cash equivalents**

Balances with Bank	6,17,467	52,43,680
Cash in hand	4,32,312	3,12,915
Fixed Deposit with Bank	27,44,649	61,68,275
Total	37,94,428	1,17,24,870

NOTE 2Q**SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good, unless stated otherwise)

Advance to Employees/Staff	66,300	9,000
Advances to Suppliers	2,47,49,201	27,97,653
Advances for Capital Goods	1,70,48,205	-
EMD (Monitoring Committee)	1,37,91,746	65,41,746
Prepaid Expenses	10,68,660	5,90,724
Total	5,67,24,113	99,39,123

NOTE 2R**OTHER CURRENT ASSETS**

Balance with Statutory Authorities	1,37,29,647	2,00,27,872
Interest Receivable	2,22,909	4,15,591
Total	1,39,52,556	2,04,43,463



	Year ended 31 March 2020 Rs.	Year ended 31 March 2019 Rs.
NOTE 3A		
REVENUE FROM OPERATIONS		
Sales from Trading Activities	44,27,60,214	8,95,18,767
Sales from Manufacturing Activities	2,04,03,34,126	1,66,68,97,059
Total	2,48,30,94,340	1,75,64,15,826
NOTE 3B		
OTHER INCOME		
Interest Income	5,54,704	5,84,261
Misc Income	39,12,609	32,78,122
Interest on IT Refund	38,052	2,78,724
Total	45,05,365	41,41,107
NOTE 3C		
COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year		
Coal	22,00,97,440	7,64,99,701
Iron Ore Pellets	2,13,65,882	11,844
Iron Ore Lumps/Fines	5,08,64,040	3,00,52,265
Consumables	1,03,25,843	49,64,592
Add: Purchases (net of returns and volume discounts)		
- Coal	82,99,78,890	64,89,06,444
- Iron Ore	64,91,62,858	51,23,88,136
- Sponge Iron	30,11,20,248	45,10,29,798
- Others	64,97,352	42,35,725
Carriage Inwards	15,21,97,570	9,61,42,191
Compensation Cess	3,23,66,580	2,26,52,455
Consumables	2,92,71,588	2,85,03,811
	2,30,32,48,290	1,87,53,86,962
Less: Inventory at the end of the year		
Coal	6,02,31,188	22,00,97,440
Iron Ore Pellets	8,40,00,601	2,13,65,882
Iron Ore Lumps/Fines	1,36,78,114	5,08,64,040
Consumables	1,39,84,246	1,03,25,843
	17,18,94,149	30,26,53,205
Royalty, Permit & Others Expenses	7,15,43,726	4,31,45,267
Loading/Unloading Expenses	98,93,313	43,31,691
Import Expenses/High Sea Purchase Expenses	2,61,50,190	97,72,636
Total	2,23,89,41,370	1,62,99,83,350
NOTE 3D		
Changes in Inventory of Finished Goods		
(Increase)/ Decrease in inventories		
Inventories at the end of the year		
Finished Goods & Work-in-progress	2,86,33,270	5,56,08,765
	2,86,33,270	5,56,08,765
Inventories at the beginning of the year		
Finished Goods & Work-in-progress	5,56,08,765	3,20,39,490
	5,56,08,765	3,20,39,490
(Increase) / Decrease in Finished Goods	2,69,75,495	(2,35,69,275)



NOTE 3E**EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	2,49,42,959	82,01,647
Contribution to Provident and other Funds	17,19,681	5,08,299
Staff Welfare Expenses	4,96,733	2,40,154
Compensated Absences	2,52,235	5,00,434
Bonus	6,68,712	82,585
Gratuity	10,25,748	2,52,123
Total	2,91,06,068	97,85,242

NOTE 3F**FINANCE COSTS**

Interest Expenses	2,34,67,300	81,49,926
Other Borrowing Cost	2,64,944	36,30,571
Total	2,37,32,244	1,17,80,497

NOTE 3G**OTHER EXPENSES**

Power, Fuel and Diesel	6,20,83,391	4,13,31,197
Hire Charges	55,95,450	-
Commission on Sales	49,41,642	37,80,311
Village Welfare & Development Expenses	36,94,745	9,92,162
Security Charges	35,92,339	18,16,002
Repair & Maintenance Expenses	25,81,753	29,79,643
Material Shortage & Low Quality Charges	24,57,173	17,10,980
Rates and Taxes	45,34,240	38,16,469
Legal & Professional Charges	21,10,959	4,50,950
Rate Difference	8,63,167	10,36,231
Rent Expenses	8,27,671	18,23,930
Insurance Charges	6,25,487	3,00,009
Provision for Bad Debts	1,44,695	-
RBI Forex Charges	1,12,749	8,02,392
Operations and Maintenance	-	70,00,000
Misc Expenses	23,07,542	32,07,294
Total	9,64,73,003	7,10,47,570



NOTES TO THE FINANCIAL STATEMENTS

1) Background

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

2) (i) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') notified under Section 133 of the Companies Act, 2013.

(ii) Use of Estimates

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

3) Significant Accounting Policies

i. Revenue Recognition

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

Sale of Goods

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

Rendering of Services

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

Interest

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

Dividend

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

Duty Incentives

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

ii. Inventories

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

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



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

iii. Property Plant and Equipment

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

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

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

iv. Impairment of Assets

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

v. Depreciation / Amortisation

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

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

vi. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

vii. Foreign Currency Transactions

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

Non-monetary items denominated in foreign currency:

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



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

viii. Financial Instruments

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

Derivative instruments

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

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

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

Non-Derivative financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Company mainly include cash and bank balances, sundry debtors, other loans and advances and derivative financial instruments with a positive fair value. Financial liabilities of the Company mainly comprise secured and unsecured loans, sundry creditors, accrued expenses and derivative financial instruments with a negative fair value. Financial assets / liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets. The Company measures the financial assets and liabilities, except for derivative financial assets and liabilities at amortised cost using the effective interest method. The Company measures the short-term payables and receivables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial. Non-interest bearing deposits are discounted to their present value.

ix. Operating Leases

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

x. Earnings Per Share

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

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



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

xi. Retirement Benefits

Provident Fund

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

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually. The gratuity fund benefits of the Company are administered by a trust formed for this purpose through the group gratuity scheme with Life Insurance Corporation of India (LIC). Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

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

Compensated absences

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

Other short term benefits

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

xii. Taxes on Income

Current Tax

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

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

Deferred Tax

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, in case of unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**xiii. Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

xiv. Borrowing Costs

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

4)

Employees Benefit Expenses**a) Defined Contribution Plan**

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

Amount recognised in the Statement of Profit and Loss

	As at 31st March 2020	As at 31st March 2019
i) Contribution to Provident Fund	12,41,060	2,95,029
ii) Contribution to Employee State Insurance	4,78,621	2,08,226

b) Defined Benefit Plan

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

Particulars	As at March 31st 2020	As at March 31st 2019
Obligation at year beginning	2,52,123	-
Current Service cost	9,30,605	1,66,812
Interest Cost	19,454	-
Past service cost - (vested benefits)	-	85,311
Actuarial loss/(gain)	75,689	-
Benefits paid	-	-
Amendment in benefit paid	-	-
Obligation at the end	12,77,871	2,52,123



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

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

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

Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	12,77,871	2,52,123
Asset recognized in the balance sheet	-	-
Liability recognized in the balance sheet	12,77,871	2,52,123
Expenses recognized in the statement of P& L	10,25,748	2,52,123

Assumptions

Discount Rate	7.70%	7.70%
Salary escalation rate	10% for first three years & 7.50% thereafter	10% for first three years & 7.50% thereafter
Attrition rate	1.00%	1.00%
Expected rate of return on Plan Assets	0.00%	0.00%



5) **Related Party Transactions**

i **Key Managerial Personnel**

- a) Sunil Jallan alias Jullian Jallan
b) Sandeep Kumar
c) Pooja Sara Nagaraja

Nature of Relationship

Director
Director
Company Secretary

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

Director	a) Sunil Jallan alias Jullian Jallan b) Sandeep Kumar
Holding Company	A-One Steel and Alloys Private Limited
Entities controlled by Director	a) M/s. A-One Steel and Alloys Private Limited b) M/s. A One Steels India Private Limited c) M/s. Aaryan Hitech Steels India Private Limited d) M/s. Ambe Metals

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

Nature of transactions	Relation	Year ended 31 March 2020 Rs.	Year ended 31 March 2019 Rs.
Loan repaid by the Company			
Sandeep Kumar	Director	1,65,260	2,25,00,000
Ambe Metals	Entities controlled by Director	2,53,00,000	-
Sunil Jallan alias Jullian Jallan	Director	-	2,25,00,000
A-One Steel and Alloys Private Limited	Holding Company	-	6,65,10,000
		2,54,65,260	11,15,10,000
Loan received by the Company			
Sandeep Kumar	Director	-	3,00,00,000
Sunil Jallan alias Jullian Jallan	Director	-	3,00,00,000
		-	6,00,00,000
Purchase of Goods			
A One Steels India Private Limited	Entities controlled by Director	11,94,724	-
A-One Steel and Alloys Private Limited	Holding Company	33,40,87,801	23,14,63,123
		33,52,82,525	23,14,63,123
Investment in Shares			
A-One Steel and Alloys Private Limited	Holding Company	8,50,07,700	5,00,07,700
		8,50,07,700	5,00,07,700
Corporate Guarantee			
A-One Steel and Alloys Private Limited	Holding Company	25,00,00,000	25,00,00,000
		25,00,00,000	25,00,00,000
Sale of Plant & Machinery			
A-One Steel and Alloys Private Limited	Holding Company	4,00,000	11,60,124
		4,00,000	11,60,124
Purchase of Plant & Machinery			
A-One Steel and Alloys Private Limited	Holding Company	9,20,800	13,73,089
A One Steels India Private Limited	Entities controlled by Director	-	2,42,277
		9,20,800	16,15,366
Sale of Goods			
A One Steels India Private Limited	Entities controlled by Director	23,04,62,433	16,15,21,511
A-One Steel and Alloys Private Limited	Holding Company	39,84,01,952	27,41,83,438
		62,88,64,385	43,57,04,948
Balances receivable/ (payable) from and to the related parties are as follows:			
Sandeep Kumar		(73,34,740)	(75,00,000)
Sunil Jallan alias Jullian Jallan		(75,00,000)	(75,00,000)
A One Steels India Private Limited		(3,05,68,847)	5,00,38,155
A-One Steel and Alloys Private Limited		3,04,27,965	1,70,84,785
Ambe Metals		(2,67,75,098)	(5,20,75,098)
		(4,17,50,720)	47,842



6) Auditors' remuneration *

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs	Rs
for Statutory Audit	1,20,000	1,20,000
for Taxation Matters	30,000	30,000
	1,50,000	1,50,000

* Excluding Goods and Service Tax

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

Particulars	As at March 31, 2020	As at March 31, 2019*
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	3,25,852	-
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-

*For the FY 2018-19, the Company had not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid / payable under this Act have not been given. There is also no amount of outstanding interest in this regard, brought forward from previous years.

8) Earning per Share-Basic	March 31, 2020	March 31, 2019
Net Profit after tax for the year	4,42,91,524	9,75,89,551
Less: Dividend on CCCPS	-	-
Adjusted Net Profit for the Year (A)	4,42,91,524	9,75,89,551
Weighted Average number of Equity Shares outstanding during the	1,40,47,838	1,16,60,166
Nominal Value per Equity Shares	100	100
Earning per Share - Basic (A/B)	3.15	8.37

Note - There is no dilution to the Earnings per share as there are no dilutive potential equity shares

9) The financial statements for the year ended 31 March 2019 had been prepared as per the the applicable Schedule III to the Companies Act, 2013 & the financial statements for the year ended 31 March 2020 are also been prepared as per Schedule III. However, Previous year's amounts have been regrouped/ reclassified wherever considered necessary to conform to those of the current year.



10) Terms of Repayment - Secured Non Current Liabilities

Details of Loan	Repayment Period (In months)	Installments yet to be due as on 31/03/2020	Amount Payable as on 31/03/2020	Interest Rate
Term Loan	69	60	13,23,50,000	10.05%
Vehicle Loan	60	44	7,83,300	9.10%
Overdraft Facility	12	-	8,38,43,776	9.75%

11) Due to outbreak of COVID-19 globally and in India, the management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19.

At present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

12) Pursuant to the introduction of Section 115BAA of the income tax Act, 1961 vide taxation laws (Amendment) ordinance, 2019 the company has an option to pay corporate Income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 25% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income tax act, 1961 the company proposed to avail the lower rate from FY 2019-20.

For **R. SINGHVI & ASSOCIATES**

Chartered Accountants
ICAI PRN - 0038705



SUBHASH CHAND SINGHVI

Partner

M.No. 024534

Place : Bengaluru

Date: 16/12/2020

For and on behalf of the Board of Directors



**SUNIL JALLAN ALIAS
JULLIAN JALLAN**

Director

DIN: 02150846

Place: Bengaluru



POOJA SARA NAGARAJA
Company Secretary

Place: Bengaluru



SANDEEP KUMAR

Director

DIN: 02112630

Place: Bengaluru

NOTE : 2] Property Plant and Equipment									
For the Financial Year ended 31.03.2020									
(Amount in Rupees)									
PARTICULARS	GROSS BLOCK (AT COST)			DEPRICIATION/AMORTISATION				NET BLOCK	
	As at 01-04-2019	Additions / Adjustments during the Year	Deductions during the Year	As at 31-03-2020	Upto 01-04-2019	For the Year	Deductions during the Year	Upto 31-03-2020	As at 31-03-2020 As at 31-03-2019
Tangible Assets									
Freehold Land	13,63,72,976			13,63,72,976	-			-	13,63,72,976
Shed & Buildings	5,57,58,898	40,35,497		5,97,94,395	95,42,079	16,49,450		1,11,91,529	4,86,02,866
Plant & Machinery	26,75,53,924	1,35,49,278		28,11,03,202	10,17,87,233	87,53,119		11,05,40,353	17,05,62,849
D.G.Set	83,21,857			83,21,857	49,85,097	3,96,593		53,81,691	33,36,760
Caterpillar - 424	20,12,260			20,12,260	15,73,232	1,27,635		17,00,868	4,39,028
Loader Z 2021	26,70,698			26,70,698	19,02,951	1,69,340		20,72,290	7,67,747
Vehicle	35,60,061	7,77,569		43,37,630	21,95,931	3,21,916		25,17,847	13,64,130
Office Equipments	14,19,027	4,66,581		18,85,608	8,94,580	2,17,767		11,12,348	5,24,447
Furniture & Fixtures	7,62,295			7,62,295	4,74,615	52,185		5,26,800	2,87,680
Computers	6,10,597	2,55,446		8,66,043	5,27,291	1,10,357		6,37,648	83,306
Mobile Phone	66,974	92,962		1,59,936	955	47,112		48,067	1,11,869
	47,91,09,567	1,91,77,333	-	49,82,86,900	12,38,83,964	1,18,45,476	-	13,57,29,441	36,25,57,459
Intangible Assets									
Technical Knowhow	10,14,379	-	-	10,14,379	10,14,379	-	-	10,14,379	-
	10,14,379	-	-	10,14,379	10,14,379	-	-	10,14,379	-
Capital WIP									
Building - Rolling Mill	-	59,92,538	-	59,92,538	-	-	-	-	59,92,538
	-	59,92,538	-	59,92,538	-	-	-	-	-
TOTAL	48,01,23,946	2,51,69,871	-	50,52,93,817	12,48,98,343	1,18,45,476	-	13,67,43,820	36,85,49,997
Previous Year	28,18,20,557	19,83,03,389	-	48,01,23,946	11,68,94,244	80,04,100	-	12,48,98,343	35,52,25,603
									16,49,26,313



VANYA STEELS PRIVATE LIMITED								
ANNEXURE - IV Depreciation As per Income Tax Rules 1962, For FY 2019-20								
Particulars	Rate of Dep.	WDV AS ON 01-04-19	Additions		Deletions/ Adjusted/ capitalised	Total	Dep.	WDV AS ON 31-03-2020
			More than 180 days	Less than 180 days				
Freehold Land	0%	13,63,72,976	-	-	-	13,63,72,976	-	13,63,72,976
		13,63,72,976	-	-	-	13,63,72,976	-	13,63,72,976
Block A								
Factory & Office Building	10%	3,63,24,929	-	-	-	3,63,24,929	36,32,493	3,26,92,436
Other Building	5%	63,68,073	18,35,129	22,00,368	-	1,04,03,570	4,65,169	99,38,401
Furniture	10%	3,97,918	-	-	-	3,97,918	39,792	3,58,126
		4,30,90,920	18,35,129	22,00,368	-	4,71,26,417	41,37,454	4,29,88,963
Block B								
Plant & Machinery	15%	12,90,41,364	96,05,125	39,44,153	-	14,25,90,642	2,10,92,785	12,14,97,857
D.G.Set	15%	28,68,597	-	-	-	28,68,597	4,30,290	24,38,307
Vehicle	15%	17,31,839	7,77,569	-	-	25,09,408	3,76,411	21,32,997
Caterpillar -424	15%	2,67,398	-	-	-	2,67,398	40,110	2,27,288
Loader Z 2021	15%	4,13,404	-	-	-	4,13,404	62,011	3,51,394
Mobile Phone	15%	61,951	92,962	-	-	1,54,913	23,237	1,31,676
Office Equipment	15%	6,49,838	2,88,538	1,78,043	-	11,16,419	1,54,110	9,62,310
		13,50,34,391	1,07,64,194	41,22,196	-	14,99,20,781	2,21,78,953	12,77,41,829
Block C								
Computer	40%	44,718	2,11,146	44,300	-	3,00,164	1,11,206	1,88,959
		44,718	2,11,146	44,300	-	3,00,164	1,11,206	1,88,959
Block D								
Intangible Assets	25%	2,05,686	-	-	-	2,05,686	51,422	1,54,265
		2,05,686	-	-	-	2,05,686	51,422	1,54,265
Block E								
Capital WIP								
Plant & Machinery-RM	0%	-	-	-	-	-	-	-
Building-RM	0%	-	59,92,538	-	-	59,92,538	-	59,92,538
Building & Shed	0%	-	-	-	-	-	-	-
		-	59,92,538	-	-	59,92,538	-	59,92,538
TOTAL		31,47,48,691	1,88,03,007	63,66,864	-	33,99,18,562	2,64,79,034	31,34,39,529



VANYA STEELS PRIVATE LIMITED						
Calculation of deferred Tax Liabilities(DTL)\Assets(DTA) as on 31.03.2020						
		31.03.2020				31.03.2019
DTA/(DTL) on a/c of timing difference	Closing Bal. as per income tax	Closing Bal as Books	Timing difference	Tax Rate	DTA/(DTL)	DTA/(DTL)
Gratuity Expenses	10,25,748	-	10,25,748	0.2600	2,66,694	65,552
Bonus Expenses	6,68,712	-	6,68,712	0.2600	1,73,865	21,472
Disallowance of Expenses under section 40(a)(ia)	35,400	-	35,400	0.2600	9,204	-
Leave Encashment Expenses	2,52,235	-	2,52,235	0.2600	65,581	1,30,113
Unabsorbed Business & depreciation losses	14,57,13,050	-	14,57,13,050	0.2600	3,78,85,393	5,06,13,399
W.D.V of Fixed Assets	31,34,39,529	36,85,49,997	(5,51,10,469)	0.2600	(1,43,28,722)	(1,05,23,997)
DTA(DTL) at the year end					2,40,72,016	4,03,06,539
Less: opening Balance of DTA(DTL)					4,03,06,539	(17,38,802)
DTA(DTL) for the year					(1,62,34,524)	4,20,45,341

