



VALLABH STEELS LIMITED

Regd. Off.: G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120(Punjab), India,
CIN: L27109PB1980PLC004327 Tel.: +91-161-2511413, Fax: +91-161-2511414,
E-mail: fin.ho@vallabhgroup.com, website: www.vallabhsteelsltd.in

VSL: BSE: 2022-23

Dated: 04.09.2022

BSE Limited
Floor-25, P.J. Towers,
Dalal Street,
Mumbai- 400 001

Sub: Annual General Meeting Notice and Annual Report for the financial year ended 31st March, 2022.

Dear Sir,

We wish to inform you that the 42nd Annual General Meeting of the Company is scheduled to be held on Thursday, September 29, 2022 at 10.00 A.M. at the Registered Office of the Company situated at G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120, Punjab.

Pursuant to Regulation 30 and other applicable provisions, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find herewith enclosed copy of Notice of the 42nd Annual General Meeting of the Company along with the Annual Report of the Company for the financial year ended 31st March, 2022.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Vallabh Steels Limited

Komal Bhalla
Company Secretary

Encl.: a/a



42nd Annual Report
2021-22

VALLABH STEELS LIMITED



NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the members of Vallabh Steels Limited will be held at Registered Office of the company at G.T. Road, Village Pawa, Sahnewal, Ludhiana on Thursday, the 29th September, 2022 at 10.00 A.M. to transact the following business:-

AS ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2022, the Audited Financial Statements of the Company for the financial year ended on that date and the Reports of Auditors and Board of Directors thereon.

2. APPOINTMENT OF MR. KAPIL KUMAR JAIN AS A DIRECTOR LIABLE TO RETIRE BY ROTATION:

To appoint a Director in place of Mr. Kapil Kumar Jain (DIN: 00755228), who retires by rotation and, being eligible, offers himself for re-appointment.

3. APPOINTMENT OF STATUTORY AUDITORS

To appoint statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s K.R Aggarwal & Associates, Chartered Accountants (Firm Registration No. 030088N) having their office at Ludhiana, be and are hereby appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years commencing from the conclusion of 42nd Annual General Meeting of the Company till the conclusion of 47th Annual General Meeting to be held in 2027, on such remuneration, as may be mutually agreed upon by the Board of Directors and the Auditors."

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

AS SPECIAL BUSINESS

4. APPOINTMENT OF SECRETARIAL AUDITOR:

TO APPROVE THE APPOINTMENT OF THE SECRETARIAL AUDITOR FOR THE FINANCIAL YEAR ENDING MARCH 31, 2023 AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the consent of the Company be and is hereby accorded to appointment of M/s. RCS & Company, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2022-23 on such remuneration as may be mutually decided by the Board and the Secretarial Auditors plus taxes and actual out of pocket expenses incurred by them in connection with aforesaid audit.

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

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED: 03.09.2022

Sd/-
(KOMAL BHALLA)
COMPANY SECRETARY



NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed herewith and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE, DULY COMPLETED, STAMPED AND SIGNED, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the Board Resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP Id and Client ID/Folio No. (as the case may be).
5. Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Share Transfer Agents of the company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants (DPs).
6. As Amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018 members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical shares. Members can contact the Company or Mas Services Limited for further assistance.
7. The Securities and Exchange Board of India (SEBI) vide circular dated April 20, 2018 as modified by circular dated July 16, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank Account details by every participant in securities market. Members of the company holding shares in physical form can submit their PAN and Bank Account details to the Company/Registrar and Share Transfer Agent (RTA).
8. Pursuant to the provisions of Section 124 of the Companies Act, 2013, no amount is pending or lying unpaid or unclaimed for a period of 7 (Seven) years to be transferred to the Investor Education and Protection Fund (IEPF) constituted by Central Government.



9. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.
10. Copy of the Annual Report including notice of the 42nd Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the same is being sent through the permitted mode.
11. Members are requested to bring their copy of Annual Report along with them to the AGM.
12. A brief resume of Directors to be re-appointed, nature of their expertise in specific functional areas, disclosure of relationship between directors inter-se, names of Companies in which the person holds the directorship and the membership of Committees of the board and shareholding of non-executive directors as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in explanatory statement and annexure to this notice.
13. The Registers maintained under Section 170, 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
14. The facility for voting through ballot or polling paper will also be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. Members may also note that the Notice of the 42nd AGM and the Annual Report for the financial year 2021-22 is also available on the Company's website at www.vallabhsteelsltd.in and on the website of the Stock Exchange i.e www.bseindia.com
16. Members may also note that the equity shares of the company have been included in the list of securities for compulsory trading in dematerialized form under ISIN No. INE457E01016. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future. After 31st March, 2019 the shares held in physical form will not be transferred. They are requested to send their Dematerialisation Request Form (DRF) through their Depository Participant (DP).

VOTING THROUGH ELECTRONIC MEANS:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vallabhsteelsltd.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.



THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, the 26th September, 2022 9:00 A.M. and ends on Wednesday, the 28th September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |



| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 121695 then user ID is 121695001*** |



5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jatinsingal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@masserv.com.



2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

BY ORDER OF THE BOARD OF DIRECTORS

**PLACE : LUDHIANA
DATED : 03.09.2022**

**Sd/-
(KOMAL BHALLA)
COMPANY SECRETARY**

**ANNEXURE I****EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 CONCERNING ITEM NO. 3 AND ITEM NO. 4 (AS PART OF NOTICE):****FOR ITEM NO. 3**

The shareholders in their Meeting held on 28th September, 2017 approved the appointment of M/s. K R Aggarwal & Associates (Firm Registration No. 030088N), as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years commencing from Company's financial year 2017-18 to hold office from the conclusion of 37th Annual general Meeting till the conclusion of 42nd Annual General Meeting of the Company to be held in the year 2022. Thus, M/s. K R Aggarwal & Associates (Firm Registration No. 030088N) will complete their term on the conclusion of ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. M/s. K R Aggarwal & Associates (Firm Registration No. 030088N) is eligible for reappointment for a further period of five years.

The Board of Directors at their meeting held on 03rd September, 2022 based on recommendations of the Audit Committee, have approved the reappointment of M/s. K R Aggarwal & Associates (Firm Registration No. 030088N), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of this AGM till the conclusion of 47th AGM to be held in the year 2027 at a remuneration upto Rs. 50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses for the financial year ended March 31, 2023. The appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), M/s. K R Aggarwal & Associates (Firm Registration No. 030088N), has given their consent and eligibility certificate to the effect that their appointment, if made, would be in compliance with the applicable Laws/Rules.

None of the other Directors or Key Managerial Personnel of the Company or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

FOR ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. RCS & Company, Company Secretaries as Secretarial Auditors to conduct the audit of the Company for the financial year 2022-23 pursuant to the provisions of Section 204 of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Accordingly, the Board recommended and seeks consent of the members for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for appointment of the Secretarial Auditors for the financial year ending March 31, 2023.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

BY ORDER OF THE BOARD OF DIRECTORS**PLACE : LUDHIANA
DATED: 03.09.2022****Sd/-
(KOMAL BHALLA)
COMPANY SECRETARY**

**ANNEXURE TO THE NOTICE
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

| | |
|--|---|
| Name of Director | Mr. Kapil Kumar Jain |
| Date of Birth and Age | 12.08.1950, 72 Years |
| Qualification and Experience | Graduate, 49 Years |
| Date of Appointment on the Board | 15.03.1992 |
| Nature of his expertise in specific functional areas | Mr. Kapil Kumar Jain has vast experience in Business Management |
| Names of the listed entities in which the person also holds the Directorship | None |
| The membership of the committees of the board of Listed Entities | None |
| Disclosure of Relationship between Directors | Not Related to any Director/ Key Managerial Personnel |
| Shareholding of Non-Executive Director | NA |
| Shareholding in the Company as on March 31st, 2022 | 2,32,000 |
| Number of the meetings of the Board attended during the year | 5 out of 8 meetings attended |

**DIRECTORS' REPORT**

To

The Members,
Vallabh Steels Limited

We have pleasure in presenting the 42nd Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2022:

FINANCIAL RESULTS:

| | (Rupees in Lakhs) | |
|---|------------------------|-------------------------|
| | Current Year | Previous Year |
| Revenue from Operations and Other Income | 94.22 | 591.84 |
| Profit before Interest, Depreciation and Tax | 1108.78 | -2346.32 |
| Less: | | |
| Financial Costs | 1.14 | 19.93 |
| Provision for Depreciation | 192.44 | 233.77 |
| Taxes: Current Tax | -- | -- |
| MAT Credit Entitlement | -- | -- |
| Deferred Tax/Earlier year tax adjustment | <u>(8.64)</u> | <u>(12.75)</u> |
| Profit after Tax | <u>(923.84)</u> | <u>(2105.37)</u> |

PERFORMANCE REVIEW:

During the year under review, the Company has recorded a fall in revenue operations which are placed at Rs. 94.22 lakhs as compared to Rs. 591.84 lakhs in the previous year. This has been primarily due to shortage of working capital and large imports from China in the country. Outbreak of pandemic (COVID 19) has further adversely affected the industry denting the performance of the Company.

As a result the Company has registered a loss of Rs. 923.84 lakhs as compared to Rs.2105.37 lakhs in the previous year.

The management of the Company is seized of the matter and taking all out steps to face the various challenges.

INDUSTRY AND ECONOMIC SCENARIO:

India is third largest producer of steel in the world after China and Japan. Steel demand in India is expected to grow in 2022-23 based on expected growth in different sectors. Due to COVID-19, the worldwide industry in general has been badly affected.

IMPACT OF COVID-19 ON BUSINESS OF THE COMPANY:

The Company has its manufacturing operations in Punjab. The Company's business was impacted in the month of March, 2020 when curfew was imposed in Punjab followed by announcement of nationwide lockdown from 25th March, 2020. This resulted in complete shutdown of all economic and social activities and COVID-19 re-erupted in 2021. Keeping in view the guidelines, the Company could resume its manufacturing operations although on a very small scale due to working capital problems.

The Company has made efforts towards maintaining health and safety of its employees by adhering to social distancing norms, use of masks and sanitizers etc. Meetings are virtually held and practice of working from home has been followed.

COVID-19 has also affected the working of the Company on availability of raw materials, sales mainly due to financial/credit facilities. This has posed unprecedented situations which has badly affected its performance resulting in virtually negligible output.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Presently also the Company is facing the shortage of working capital facilities resulting in adversely affecting the Bank borrowings and thus performance of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there are no changes in the nature of the business of the Company.

SHARE CAPITAL:

The Company's paid up equity share capital as at March 31, 2022 stood at Rs. 4,95,00,000/- comprising of 49,50,000 equity shares of Rs. 10/- each. During the year under review, the Company has not issued any fresh shares.

**EXPORTS:**

Despite all efforts made, the company could not register any exports during the year under report.

DIVIDEND AND RESERVES:

Keeping in view the loss suffered by the Company, the Board of Directors has not recommended any dividend.

LISTING OF SHARES:

The Equity Shares of the Company are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has not paid the listing fee to BSE Limited, Mumbai for the Financial Year 2021-22.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the Public during the year within the ambit of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Sh. Kapil Kumar Jain, Chairman and Managing Director of the Company (having DIN No. 00755228), retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Company has received declaration of independence from all the Independent Directors of the Company that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Kapil Kumar Jain, Managing Director, Mr. Ajit Kumar Jha as Chief Financial Officer (CFO) and Mrs. Komal Bhalla as Company Secretary and Compliance Officer of the Company.

INTERNAL FINANCIAL CONTROLS:

Your Company has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting as detailed in Management Discussion and Analysis.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company has an appropriate combination Executive, Non- Executive Directors including Independent Directors to maintain independence of the Board. The Directors have expertise in the fields of industry operations, finance, legal and management.

MEETINGS:

A draft calendar of Meetings is prepared and circulated in advance to the Directors. During the year 8 (Eight) Board Meetings and 5 (five) Audit Committee Meetings were convened and held. The intervening gap between two meetings was within the stipulated period prescribed under the Companies Act, 2013

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Directors are pleased to present the Management's Discussion and Analysis of operations for the year ended March 31, 2022 attached as **Annexure-I** which forms part of this Annual Report.

CORPORATE GOVERNANCE:

In view of the provisions of Regulation 15(2) of SEBI (LODR) Regulations, 2015 report on Corporate Governance is not prepared by the Company. The Company is in Compliance with the various requirements and disclosures.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a Vigil Mechanism named Fraud and Risk Management Policy to deal with instances of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of corporate governance and stakeholder's responsibility.

The Company has established a Whistle Blower Policy and the same has been uploaded on the Company's website www.vallabhsteelsltd.in. The said policy has also been made available at the offices/ manufacturing units to enable the employees to report their concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. The new employees are also given details of Whistle Blower Policy at the time of joining the Company. There were no occasions during the year under review where any concerns were reported under the said policy.

SUBSIDIARY/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary/Associate Companies.

RELATED PARTY TRANSACTIONS:

There were no such contracts or arrangements or transactions entered into during the year ended March 31, 2022 as stated in Form AOC-2 attached as Annexure-II which forms integral part of this report. None of the Independent Directors has any pecuniary relationships or transactions vis-a-vis the Company.

There have been no materially significant related party transactions between the Company and the Key Managerial Personnel or other designated Persons, Promoters, Directors, the management or the relatives except for those disclosed in the financial statements which are at arm's length basis.

PERSONNEL AND INDUSTRIAL RELATIONS:

The Management-Employees relations remained cordial throughout the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto marked as **Annexure-III** and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Corporate Social Responsibility was not applicable to the Company for the financial year under review. The Philosophy of the company works with objectives of contributing to the sustainable development of the society and to create a greener and cleaner environment around us.

ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) of the Act, the Annual Return in form MGT-7, for the Financial Year 2021-22 is uploaded on the website of the company at www.vallabhsteelsltd.in.

AUDITORS & THEIR REPORTS:**a) STATUTORY AUDITORS:**

The Shareholders approved the appointment of M/s K.R Aggarwal & Associates, Chartered Accountants, Firm having Registration no.(030088N) and their office at Ludhiana, as Statutory Auditors of the Company on September 28, 2017 to hold office for 5(five)years. Their period of office as Statutory Auditors of the Company will expire at the ensuing Annual General Meeting to be held on 29th September, 2022. The Board on the recommendation of the Audit Committee has proposed the re-appointment of M/s K.R Aggarwal & Associates (Firm Registration No. 030088N) having their office at Ludhiana, as Statutory Auditors of the Company for a period of 5(Five) consecutive years to hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of 47th Annual General Meeting to be held in the year 2027. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. RCS & Company, Company Secretaries in Practice (C.P. No. 3154) to undertake the Secretarial Audit of the Company for the financial year 2021-22.

The Report of the Secretarial Audit carried out for the financial year 2021-22 is annexed to this Report as **Annexure-IV**.



Regarding registration of one independent director under the provisions of companies (Creation and Maintenance of Data Bank of Independent Directors) Rules, 2019 as amended. The Secretarial Audit Report does not contain any other qualifications, reservations or adverse remarks and statements referred in the Secretarial Audit Report are self explanatory. Pursuant to Regulations 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. RCS & Company, the Secretarial Auditors have issued Secretarial Compliance Report for the financial year 2021-2022.

The Secretarial Compliance Report under Regulation 24A Of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with BSE Circular No, LIST/COMP/ 10/2019-20 dated 9th May, 2019 is not applicable to our Company as per exemption given under Regulation 15 (2) (a) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company is constituted under the chairmanship of Mr. Kapil Kumar Jain and other members being Mr. Manoj Kumar and Mr. Suman Jain. No meeting of Committee was held during the financial year 2021-22.

Risk Management Policy:

The Risk Management Policy is formulated and implemented by the Company. The Policy helps to identify the various elements of risks faced by the Company, which in opinion of the Board threatens the existence of the Company. The Risk Management Policy as approved by the Board is uploaded on the Company's website at the web link www.vallabhsteelsltd.in.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has neither given/provided any Loans, Guarantees; nor it made any Investments covered under the provisions of Section 186 of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There have not been any significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

SECRETARIAL STANDARDS:

The Company has duly followed the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and the Company has in place proper systems to ensure compliance with applicable Secretarial Standards.

GENERAL:

Your Directors state that no reporting is required in respect of the following items as there were no transactions of



these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

Further the company does not have a scheme for purchase of its own shares by employees or by trustees for the benefit of employees.

The Company has a zero-tolerance approach towards sexual- harassment at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety to all concerned compliances of environmental regulations and preservations of natural resources.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years and as such no funds were required to be transferred to Investor Education and Protection Fund (IEPF).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given hereunder:

I. CONSERVATION OF ENERGY:

- a) Energy Conservation measure taken: The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and savings of energy is achieved.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: No specific investment has been made.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production: Impact of measures taken is not quantitative and as such cannot be stated accurately.
- d) Total Energy consumption per unit of production as per form 'A' to the Rules in respect of industries specified in schedule hereto:

| A. POWER & FUEL CONSUMPTION | 2021-22 | 2020-21 |
|--|----------------|----------------|
| a) Electricity - Purchased | | |
| Tube Mill, Cold Rolled Mill | | |
| Purchased Units | 2,70,641 | 21,82,110 |
| Total Amount | 70,85,680 | 1,74,70,337 |
| Rate/Unit (Rs.) | 26.18 | 8.01 |
| b) Electricity - Own Generation | | |
| Through Diesel Generator | 8,750 | 14,300 |
| Unit per liter of diesel oil | 3.50 | 3.25 |
| Cost/Unit (Rs.) | 25.00 | 44.00 |
| c) Furnace Oil | | |
| Quantity (Ltrs.) | 1,999 | 20,762 |
| Total Cost | 1,20,620 | 9,00,772 |
| Average Rate (Rs.) | 60.31 | 43.60 |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | |
| Tube Mill, Cold Rolled Mill Electricity Per MT | 38,405 | 2,631 |

II. R&D AND TECHNOLOGY ABSORPTION:

Your Company has always been making best efforts towards technology absorption, adaptation and innovation to improve the quality of its products being manufactured at its various units and to reduce the cost of production. During the year under review, the Company has not procured imported technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to export initiatives for export of its products:

During the year under review, various indigenous and international factors caused disappointment in exports. Despite all the efforts made, the company did not register any exports during 2021-22.



| | | (Amt. in Lakh) |
|--|---------|----------------|
| | 2021-22 | 2020-21 |
| b) Total Foreign Exchange used and earned | | |
| Foreign Exchange Used (CIF Value of Imports) | Nil | Nil |
| Foreign Earnings (FOB value of Exports) | Nil | Nil |

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your directors make the following statements in terms of Section 134 (3) (c) and Section 134 (5) of the Companies Act, 2013:

- i. That in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and the profit or loss of the Company for the year ended on that date;
- iii. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That they had prepared the annual accounts for the financial year ended on 31st March, 2022 on a going concern basis;
- v. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their sincere thanks and appreciation to the team of executives, staff members and workers at all levels for their co-operation, hard work, dedication and devotion. Our thanks are also due to the Bankers, Government Authorities and Business constituents for their continued support and co-operation extended from time to time to the Company.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 03.09.2022

Sd/-
(KAPIL KUMAR JAIN)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00755228

**ANNEXURE-I TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) Industry Structure and Development:**

The management of Vallabh Steels Limited presents its analysis report covering performance and outlook of the Company. The Indian Steel Industry remains one of the most competitive steel industries in the world. However, there is a need to create a fair level playing field amidst supply glut caused by surplus capacities in steel surplus countries. India has emerged as one of the brightest spots in the world grappling with economic turbulence and fragile growth. In the financial year 2021-22 growth has been adversely affected worldwide by COVID-19. Focus on infrastructure creation, housing policy initiatives by the Government of India augers well for revival of growth in Steel demand in India in the years to come.

Even though the Steel Industry is poised for handsome growth but there are challenges also for the global economy which include increasing protectionism in various countries, increasing global debt. Besides there is also a big challenge in currency fluctuations worldwide and U.S. Dollar vis-à-vis Indian Rupee for the Indian Economy.

Steel demand in India is expected to grow in the years to come on the back of reform momentum in India. The construction industry is expected to rise further due to government's thrust on housing sector. Hence, it is expected that domestic steel demand is going to register healthy growth in the years to come.

Indian Economy:

The introduction of Goods and Services Tax Act (GST) and Promulgation of Insolvency and Bankruptcy Code to improve asset quality of Banks and other economic measures taken will further result in growth of the economy and enhance the ease of doing business in India. At the same time the spread of pandemic has adversely affected the Indian economy.

b) Company's Performance:**i) Product Portfolio:**

Your Company is mainly engaged in the manufacturing and marketing of Steel coating products which fall within the single segment of "Iron & Steel Industry."

ii) Highlights: The highlights of the financial year 2021-22 have been as under:

~~V~~arious measures launched during the year to improve the quality of cut ends in final products.

~~T~~he Company has been able to meet its raw material requirement without compromising on quality and production schedules.

c) Outlook: Opportunity, Threats, Risks & Concerns:

The basic aim of the Company is to become capable to produce steel coating products from secondary producer to primary producer as per market requirements and thus be able to manage market trends to its advantage. Opportunities abound in growing economies and opening up of economy in India has created opportunities for Indian enterprise to move beyond national boundaries as well to create productive assets.

The Company is engaged in steel coating products. The outlook for the industry looks promising. Indian Steel demand did very well showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the years to come. However on account of shortage of working capital the company's performance began to nose dive.

Competition in Steel Coating industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steelmaking units. The Company's thrust on improving productivity and re-ducing cost of production will, in such a scenario, help in forging ahead in globally competitive environment. Global economic uncertainties have affected India's economy. Key risks synonymous to industry include the increase in financial charges, non-availability of raw materials, such as iron-ore, coal and labour etc., coupled with market fluctuations. The Company apprehends inherent risk in the shape of non availability of working capital. However following factors may pose threat, risk & concern for the Iron & Steel Industry in general and your company in particular:

1. Any adverse conditions of user sector to which it caters, thus adversely affecting the demand.
2. Underdeveloped infrastructure curtailing growth prospects.
3. The supply and demand imbalance due to new capacities coming on stream which may have negative impact on the plant utilization and steel prices.
4. Unexpected reduced growth of the manufacturing sector impacting demand.
5. Quantitative restrictions and/or additional tariffs of exports from India by importing countries.



6. Unpredictable and sharp cyclical movements in the raw material and other input prices.
7. Any change in Govt. Policies pertaining to steel industry may affect the profitability.
8. Any adverse effect of Pandemic (COVID-19) in future.
9. Timely availability of working capital remains a drag.
The opportunities of growth for your company as detailed below are manifold in view of its Strengths which may also counter the above concerns:-
 1. It is expected that the company will be able to tide over working capital constraints and better trends will emerge and may improve also in the times ahead. As such current conditions may pave a way for improved performance in future.
 2. Well established customers base for the last over 41 years.
 3. Your Company is fully poised to reap the benefits of economies of scale and it will be in a better position to negotiate raw material prices on long term bulk lifting basis & definite savings on overheads will bring down the cost per unit of production and lead to higher profitability.
 4. Your Company has strategic advantage as its units are located in the industry friendly areas having all infrastructural amenities.

Thus, your company stands in good stead to avail of the opportunities and also to take head on successfully the areas posing risks, concerns and threats to it.

(d) Environment Safety:

During the year the company continued with the implementation of occupational health and safety, quality and environmental protection measures and these are ongoing process at the company's manufacturing facilities. Other factors for the environmental safety which the company has followed include conservation of resources through waste reduction, training of employees and adoption of cleaner technologies.

(e) Risks and Concerns:

A Risk Management Policy (Policy) has been adopted by the Company which aims to detail the objectives and principles of risk management along with an overview of the process and related roles and responsibilities. The Policy lays down Company's approach towards risk mitigation, its risk management objectives and defines the risk management framework of the organization.

In order to ensure that the management controls risk in adherence to the policy the Audit Committee as well as the Board of Directors of the Company periodically review the risk assessment and risk minimization procedure.

The key business risks identified by the Company and its mitigation plans are as under:

i. Risk related to Personnel:-

Our business is increasingly dependent on the skills and competencies of our employees and management team. The general war for talent in our growing economy has created a substantial risk related to the retention of key personnel both at manufacturing and managerial levels. This risk is mitigated through effective HR policies relating to recruitment and retention and a proactive remuneration and rewards policy that is periodically reviewed at the highest management level. With excellent performance track as well as best HR practices, we are able to attract and retain people for growth of our business.

ii. Risk related to Safety:-

The company has taken adequate insurance covers to indemnify the risks associated with the safety of personnel, building, stock and Plant & Machinery and other infrastructure of the Company. These include:

- i) Fire Insurance Policies
- ii) Various Breakdown Policies
- iii) Theft insurance Policies

The company has also taken steps to strengthen IT security system as well as physical security system at all its locations.

iii. Compliance Related Risks:-

The Company is committed to being a responsible corporate citizen and respects the laws and regulations of the country. All the compliances under various laws applicable to the Company, including Companies Act, 2013, Factories Act, 1948 and Income Tax Act 1961 etc., are followed in letter & spirit.

f) Internal Financial Control System and its adequacy:

Your Company has a robust internal control system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. Gupta Sanjeev & Co., Chartered Accountants, (FRN: 005365N). The main thrust of internal audit is to test and review controls of various



departments and areas. The reviews and findings by the Internal Auditors are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Company has modified the scope and coverage for audits with a focus on the Internal Control on Financial Reporting (ICFR) framework. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has an effective Management Information System, which is an integral part of the control mechanism.

g) Cautionary statement:

Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth. Intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, our ability to successfully complete and integrate potential acquisitions, the success of the companies in which the company has made strategic investments, withdrawal of governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.



ANNEXURE- II TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contacts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no such contracts or arrangements or transactions entered into during the year ended 31st March, 2022.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2022 are given in the financial statements.

ANNEXURE- III TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for FY 2021-22 (Amt. in Rs.) | % increase/decrease in Remuneration in the FY 2021-22 | Ration of Remuneration of each Director/to median remuneration of employees | Comparison of remuneration of the KMP against the performance of the company |
|---------|---|---|---|---|--|
| 1. | Mr. Kapil Kumar Jain Chairman & Managing Director | 10,41,600 | -45.85 | 9.87 | The Remuneration of KMP against the performance of the company is not comparable in view of losses |
| 2. | Mr. Ajit Kumar Jha Chief Financial Officer | 1,97,628 | -6.35 | - | |
| 3. | Mrs. Komal Bhalla Company Secretary | 3,55,966 | 29.28 | - | |
| 4. | Mr. Suman Jain Non-Executive . Independent Director | Nil | Nil | -- | N.A. |
| 5. | Mrs. Manoj Kumar# Non-Executive Independent Director | Nil | Nil | -- | N.A. |
| 6. | Mrs. Neelam Sharma Non-Executive Independent Director | Nil | Nil | -- | N.A. |

ii) The median remuneration of employees of the Company during the financial year was Rs. 1,05,480/-.

iii) In the financial year, there was an Decrease of 3.22% in the median remuneration of the employees.

iv) There were 27 permanent employees on the rolls of the Company as on 31st March, 2022.

**v) Relationship between average increase/decrease in remuneration and company performance:**

The Company suffered a loss of Rs. 923.84 lakhs as compared to Rs. 2105.37 lakhs in the previous year which is not comparable with the decrease in median remuneration of 3.22% which is in line with the basic inflation given to the employees.

vi) Comparison of the Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel decrease by 33.82% from Rs. 24.10 lakhs in 2020-21 to Rs. 15.95 lakhs in 2021-22, whereas the company incurred a loss of Rs. 923.84 lakhs (2021-22) as against a loss of Rs. 2105.37 lakhs (2020-21).

vii) Variations in the market capitalization of the Company, Price-Earnings Ratio at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

| Particulars | As on 31.03.2022 | As on 31.03.2021 | % increase/(decrease) |
|------------------------------------|------------------|------------------|-----------------------|
| Share price (Rs.) | 6.68 | 10.44 | (36.02) |
| Market Capitalization (Rs. Lakhs): | 330.66 | 517 | (35.98) |
| Price-Earning Ratio | -0.72 | -0.25 | 44 |
| Net Worth (Rs. Lakhs): | -881 | 43 | - |

The Company's shares are listed on BSE Limited.

viii) Average percentage increase made in the salary of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average Salary increase of non-managerial employees is 8% whereas there is no increase in the managerial remuneration of managerial employees.

ix) The ratio of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year:

The Managing Director is the highest paid director. No employee received remuneration higher than the Managing Director during the year under review.

x) Affirmation that the remuneration is as per the remuneration policy of the Company:

Remuneration paid during the year ended 31.03.2022 is as per the Remuneration Policy of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 03.09.2022

Sd/-
(KAPIL KUMAR JAIN)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00755228

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
VALLABH STEELS LIMITED
CIN: L27109PB1980PLC004327
G.T. Road, Village Pawa,
Sahnewal,
Ludhiana-141120

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. VALLABH STEELS LIMITED** (hereinafter called "the Company"). The secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the applicable provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - vi. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
2. We are informed that, for the financial year ended on 31st March 2022, the Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act:
 - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
3. We have also checked/examined compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.
4. During the period under review the Company has substantially complied with the provisions of the Acts, Rules, Regulations, Standards and Agreements mentioned above except the following:
 - i. BSE Limited imposed a penalty for non-compliance of Regulation 23(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for which the Company made a representation to BSE Limited clarifying its position. However, the said representation of the Company was accepted by BSE Limited and the penalty was waived-off during the reporting year.



5. The compliance of other laws, rules and regulations specifically applicable to the Company is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. We report that we have not examined the Financial Statement, financial books and related Financial Acts like Income Tax, Value Added Tax, Sales Tax, Goods & Services Tax Act, ESIC, Provident Fund and Professional Tax etc. For these matters we rely on the report of Statutory Auditors for financial statement for the year ended 31st March, 2022.
7. We further report that:
 - i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *However, as on the date of this Report the registration of one Independent Director as per provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2016 as amended from time to time is still under process.* The Board also has a Woman Director.
 - ii. Adequate notice was given to all directors to schedule the Board Meetings. Notices of Board Meetings were sent at least seven days in advance except where board meetings were convened at shorter notice to consider urgent matters. Agenda and detailed notes on agenda were sent less than seven days before the meeting for meetings called on shorter notice.
 - iii. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - iv. As per minutes, the decisions at the Board meetings were taken unanimously.
 - v. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - vi. We further report that during the audit period there were no specific events/actions such as Public Issue of Securities, buy back, merger, amalgamation, foreign technical collaborations etc. or any other major decisions in pursuance of section 180 of the Companies Act, 2013 which require compliance of applicable provisions thereof.

For RCS & COMPANY
Company Secretaries

Date: 03.09.2022
Place: Ludhiana

(CS RAGHUBIR CHAND SINGAL)
Proprietor
M. No.: FCS 903
C.P. No. 3154
PR No.: 2611/2022
UDIN: F000903D000902507

Note: This report is to be read with my letter of even date which is annexed as **Annexure-1** hereto and forms integral part of this report



To
The Members,
VALLABH STEELS LIMITED
CIN: L27109PB1980PLC004327
G.T. Road, Village Pawa,
Sahnawal,
Ludhiana-141120

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express our opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures followed by the company on test basis.
5. While forming an opinion on compliance and issuing the secretarial audit report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2022 but before issue of the report.
6. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RCS & COMPANY**
Company Secretaries

Date: 03.09.2022
Place: Ludhiana

(**CS RAGHUBIR CHAND SINGAL**)
Proprietor
M. No.: FCS 903
C.P. No. 3154
PR No.: 2611/2022
UDIN: F000903D000902507

**Independent Auditor's Report
To the Members of
VALLABH STEELS LTD,****Report on the Standalone Ind AS financial statements****Qualified opinion**

We have audited the accompanying Standalone Ind AS financial statements of **VALLABH STEELS LTD. ("the Company")**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement and for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion section of our report, the standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its Profit (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, 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 qualified opinion on the standalone Ind AS financial statement.

I. Trade Receivables includes, certain debtors in respect of which no provision has been made as per IND AS 109 on financial instruments by applying expected credit loss method on receivables for getting fair value of assets.

II. Inventories have been taken as Certified by the management. We have not verified the same.

• **No assessment to determine whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern has been given to us. Accordingly, we are unable to comment upon the going concern of the entity.**

• Trade receivables, Loan and Advances and Trade payables are subject to confirmation and reconciliation. Moreover, provision for doubtful debts consist of receivables of amounting Rs. 1.80 Cr approx.

• **Actuarial Valuation report has not been provided to us which is non-compliance of IND AS-19 "Employee Benefits". In the absence of the same we are not able to ascertain the impact on the financial statements.**

• In respect of Property, plant & equipment. As per IND AS 36 "Impairment of Assets" company should recognize impairment loss if the carrying value of the assets in the books of account is more than recoverable amount of the assets. Further IND AS specifies that enterprise should assess at the end of each financial year whether there is any indication that an asset may be impaired. No such assessment has been done by the management, In the absence of the same we are unable to comment upon the fair value of the property, plant & equipment in the books of account.

Emphasis of Matter

We draw attention to the following:

• Accounts of the company have been categorized as NPA. Interest on term loan as well as working capital loan have been booked till 31.03.2020 only accordingly the same are subject to confirmation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not come across with any key audit matter to be communicated in our report.

**Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, including annexure thereto, Report on Corporate Governance and Management Discussion & Analysis Report, but does not include the Standalone Ind AS 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 Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS 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 Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of Standalone Ind AS 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 skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the standalone Ind AS 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.
- ii. 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) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.



- v. Evaluate the overall presentation, structure and content of the Ind AS 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements.

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

2. As required by section 143(3) of the Act, we report that:

a) Except for the matters described in the Basis of Qualified Section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, except for the matters stated in the Basis of Qualified Section, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) Except for the matters stated in the Basis of Qualified Section, the Balance Sheet, the Statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) Except for the matters stated in the Basis of Qualified Section, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;

e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "B". Our report expresses an modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. [Note: But we have not written anything on the name of "Other Matters"] In our opinion and to the best of our information and according to the explanations given to us, we report that the managerial Remuneration for the year ended 31st March, 2022 has been paid to its directors in accordance with the provisions of section 197 and schedule V to the act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.

ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented 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 entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(h) to the Standalone financial statements);
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(i) to the Standalone financial statements);
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. Since the Company has not declared or paid any dividend during the year, accordingly, commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 is not applicable.

For K.R. Aggarwal & Associates
Chartered Accountants
FRN: 030088N

CA Vivek Aneja
Place: Ludhiana

Date: 30/05/2022
UDIN: 22544757AKCGFN8551

(Partner)
Membership No: 544757

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements." Section of our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- I. In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- a) (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) The company has a program of physical verification of Property, Plant & Equipment to cover most of the items in phased manner over a period of regular intervals, which in our opinion is reasonable, having regard to the size of company and the nature of its assets. Pursuant to the program a portion of Property, Plant & Equipment were verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
- c) The title deeds of all the immovable properties are held in the name of the company. However, none is made available to us as they are pledged with the financial institutions.
- d) The company has not revalued its Property, Plant & Equipment or Intangible Assets during the year;
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022, for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



- II. In our opinion and according to the information and explanation given to us
- a) The physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - b) Accounts of the company have been categorized as NPA and the company has not been sanctioned any working capital limit. Accordingly, the clause is not applicable.
- III. According to the information and explanations given to us and on the basis of examination of books and records by us,
- (a) A. The company has no subsidiaries, joint ventures and associates. Accordingly, reporting under clause 3(iii)(a)(A) of the Order is not applicable.
 - B. The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year. Accordingly, reporting under clause 3(iii)(a)(B) of the Order is not applicable.
 - (b) As clause a above is not applicable on the company. Accordingly, reporting under clause 3(iii)(b),(c),(d),(e) & (f) of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the clause regarding compliance of Sections 185 and 186 of the Act is not applicable on the company.
- V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- VI. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (l) of section 148 of the act and are of the opinion that prima facie, the prescribed accounts have been prepared and maintained. However, we have not made the detailed examination of records.
- VII. According to the information and explanations given to us and based on the records of the company examined by us, the company is generally being regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.
- Further, we report that no undisputed amount payable with respect to such statutory dues were outstanding as at 31st March, 2022, for a period of more than six months from the date they became payable.
- According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues which have not been deposited on account of any disputes.
- VIII. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- IX. According to the records of the Company examined by us and the information and explanations given to us:
- (a) The Company has defaulted in repayment of loans or borrowings to a banks and financial institution and also has not issued debentures during the year and has not taken any fresh loans or borrowings from Government.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;
 - (c) During the year No Term loans have been raised by the company.
 - (d) On an overall examination of the financial statements of the Company, no funds have been raised accordingly there is no question of usage of short-term loans for long-term purposes by the Company;
 - (e) On an overall examination of the financial statements of the Company, the Company has no subsidiaries, associates or joint ventures accordingly the point is not applicable.



- (f) On an overall examination of the financial statements of the Company, the Company has no subsidiaries, associates or joint ventures accordingly the point is not applicable.
- X. According to the records of the Company examined by us and the information and explanations given to us:
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company
- XI. In our opinion and according to the information and explanation given to us :
- (a) No fraud by or on the company has been noticed or reported during the course of our audit;
- (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year;
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV. (a) In our opinion, the company has not an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have not considered, the reports issued by the internal auditor of the company till date for the period under audit as the same has not been shared with us.
- XV. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI. (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company;
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company;
- (d) According to the information and explanations given to us, there are two Core Investment Companies within the Group (As defined in the Core Investment Companies [Reserve Bank] Directions, 2016).
- XVII. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year;
- XVIII. There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the order is not applicable to the Company;
- XIX. On the basis of the financial ratios disclosed in note 49(a) to the Standalone Ind AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Standalone Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there is 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.
- XX. As per the information and explanations given to us and on basis of books and records examined by us, we report that since the Company has average net losses during the immediately preceding three financial years, it is not required to spend any money under sub-section (5) of section 135 of the Act and accordingly, any reporting under clause 3(xx) of the Order is not applicable to the Company for the year;



XXI. The requirement to report on clause 3(xxi) of the Order is not applicable to the Standalone Ind AS Financial Statements of the Company.

**Annexure - B to Independent Auditors' Report
(Referred to in our report of even date)**

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 **VALLABH STEELS LTD.** as of 31st March, 2022 in conjunction with our audit of the standalone Ind AS 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.

Auditors' 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 to the best of our information and according to the explanations given to us, the company has, in all material respects Except for the matters described in the Basis of Qualified Section an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the company considering the essential components

of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.R. Aggarwal & Associates
Chartered Accountants
FRN: 030088N

CA Vivek Aneja
Place: Ludhiana

Date: 30/05/2022
UDIN: 22544757AKCGFN8551

(Partner)
Membership No: 544757

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

| Particulars | Notes | (Rs. in Lacs) | |
|--|-------|-------------------------------|--------------------------------|
| | | Current Year As on 31.03.2022 | Previous Year As on 31.03.2021 |
| I Revenue from Operations | 20 | 93.28 | 590.91 |
| II Other Income | 21 | 0.94 | 0.93 |
| III Total income(I+II) | | 94.21 | 591.84 |
| IV EXPENSES | | | |
| Cost of materials consumed | 22 | 37.86 | 151.53 |
| Change in inventories of finished goods, stock in trade and work -in-progress | 24 | 66.14 | 61.39 |
| Employee benefit expense | 25 | 81.46 | 212.88 |
| Finance costs | 26 | 1.14 | 19.93 |
| Depreciation and amortisation expense | 3 | 192.44 | 233.77 |
| Other expenses | 27 | 647.66 | 2,030.46 |
| Total expenses(IV) | | 1,026.70 | 2,709.96 |
| V Profit/(loss) before tax (III-IV) | | (932.48) | (2,118.12) |
| VI Tax expense | | | |
| (1) Current tax | | - | - |
| MAT credit entitlement | | - | - |
| (2) Deferred tax | | (8.64) | (12.75) |
| VII Profit/(loss) for the period (V-VI) | | (923.84) | (2,105.37) |
| VIII Other Comprehensive Income (OCI) | | | |
| A Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement gains (losses) on defined benefit plans | | - | 3.60 |
| (ii) Net (loss)/gain on FVOCI equity securities | | - | - |
| B Items that will be reclassified to profit or loss | | | |
| Total Other Comprehensive Income | | - | 3.60 |
| IX Total Comprehensive Income for the period (VII+VIII)(Comprising Profit (Loss) and Other Comprehensive Income for the period) | | (923.84) | (2,101.77) |
| X | | | |
| Basic and diluted earnings per equity share (Face value of equity share `10 each) | 31 | -18.66 | -42.53 |

The accompanying notes form an integral part of these financial statements 1 to 39

As per our separate report of even date attached

For KR AGGARWAL AND ASSOCIATES,

Chartered Accountants

FRN: 030088N

Sd/-

CA Vivek Aneja

Partner

M. No. 544757

For and on behalf of board

Sd/-

(Kapil Kumar Jain)

Chairman & Managing Director

DIN: 00755228

Sd/-

(Suman Jain)

Director

DIN: 07841463

Sd/-

(Ajit Kumar Jha)

Chief Financial Officer

Sd/-

(Komal Bhalla)

Company Secretary

Place : Ludhiana

Dated : 30.05.2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

| Particulars | (Amt. in Lacs) | |
|--|-------------------------|--------------------------|
| | CURRENT YEAR 2021-22 | PREVIOUS YEAR 2020-21 |
| (A) Cash Flow from Operating Activities | | |
| Net profit before Tax | (932.48) | (2,105.37) |
| Adjustment for: | | |
| Amortization of Financial assets and Liabilities | 0.28 | 4.03 |
| Deferred Tax | - | - |
| Loss on sale of Investment | - | - |
| Loss on sale of shares | - | - |
| Profit on sale of Fixed Assets | 0.11 | - |
| Profit on sale of Land | - | - |
| Depreciation | 192.44 | 233.77 |
| Finance Cost | - | 17.72 |
| Remeasurement of defined benefit plan | | |
| Income Tax Adjustment Of Earlier Year | | |
| Operating Profit before Working Capital Changes | (739.65) | (1,849.85) |
| Adjustment for | | |
| Trade and Other Receivables | 247.38 | 1,850.00 |
| Inventories | 299.29 | 105.15 |
| Trade and Other Payables | (16.21) | (79.62) |
| Movement in Short term loans or advances | 2.20 | |
| Other Current Liabilities | (11.05) | |
| Cash Generated from operations | (218.03) | 25.68 |
| Direct Taxes | - | (4.58) |
| (B) Net Cash from Operating Activities | (218.03) | 21.10 |
| Cash Flow from Investing Activities | | |
| Payments for capital goods | - | (1.84) |
| Sales of Fixed Assets | 232.11 | - |
| Purchase of Investments | - | - |
| Sales of Investment | - | - |
| (C) Net cash Flow in Investing Activities | 232.11 | (1.84) |
| Cash Flow from Financing Activities | | |
| Financial Expenses | - | (17.72) |
| Movement in Long-term borrowings | - | (0.02) |
| Movement in Working Capital Borrowings | (11.67) | (10.03) |
| Net Cash flow in Financing Activities | (11.67) | -27.77 |
| Net Change in Cash & Cash Equivalents (A+B+C) | 2.41 | (8.51) |
| Cash & Cash Equivalents at the beginning of the year | 17.40 | 25.91 |
| Cash & Cash Equivalents at the end of the year | 19.81 | 17.40 |

Notes :

- 1 Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
- 2 Figures in brackets represent payments.

As per our separate report of even date attached

For and on behalf of board

For KR AGGARWAL AND ASSOCIATES,

Chartered Accountants

FRN: 030088N

Sd/-

CA Vivek Aneja

Partner

M. No. 544757

Place : Ludhiana

Dated : 30.05.2022

Sd/-
(Kapil Kumar Jain)
Chairman & Managing
Director
DIN: 00755228

Sd/-
(Ajit Kumar Jha)
Chief Financial Officer

Sd/-
(Suman Jain)
Director
DIN: 07841463

Sd/-
(Komal Bhalla)
Company Secretary

Statement of Changes in Equity for the period ended 31 March 2022

(Amt. in Lacs)

| | Attributable to the equity holders of the parent | | | | | | | | | |
|---|--|----------------------|-----------------|-------------------|-----------------|-----------------|----------------------------|------------------------------|--------------|--------------------|
| | Note | Reserves and surplus | | | | | | | Total Equity | |
| | | Issued capital | Share forfeited | Retained earnings | General reserve | Capital Reserve | Capital Redemption Reserve | Contingent Liability Reserve | | Securities Premium |
| As at 1 April 2020 | | 495.00 | - | 1,017.27 | 457.14 | - | - | - | 175.61 | 2,145.02 |
| Issue of share capital | | | | | | | | | | |
| Dividends | | | | | | | | | | |
| Transactions with owners | | 495.00 | - | 1,017.27 | 457.14 | - | - | - | 175.61 | 2,145.02 |
| Profit/(loss) for the period | | | | -2,105.37 | | | | | | -2,105.37 |
| Remeasurement gain/(Loss) on Defined benefit plan | | | | 3.60 | | | | | | 3.60 |
| Other Comprehensive Income | | | | - | | | | | | - |
| Income tax adjustments of earlier year | | | | - | | | | | | - |
| Total comprehensive income | | | | -2,101.77 | | | | | | -2,101.77 |
| Grand Total as at 31 March 2021 | | 495.00 | - | -1,084.50 | 457.14 | - | - | - | 175.61 | 43.25 |
| As at 1 April 2021 | | 495.00 | - | -1,084.50 | 457.14 | - | - | - | 175.61 | 43.25 |
| Issue of share capital | | | | | | | | | | |
| Dividends | | | | | | | | | | |
| Transactions with owners | | 495.00 | - | -1,084.50 | 457.14 | - | - | - | 175.61 | 43.25 |
| Profit/(loss) for the period | | | | -923.84 | | | | | | -923.84 |
| Remeasurement gain/(Loss) on Defined benefit plan | | | | - | | | | | | - |
| Other Comprehensive Income | | | | - | | | | | | - |
| Income tax adjustments of earlier year | | | | - | | | | | | - |
| Income tax adjustments of the year | | | | -923.84 | | | | | | -923.84 |
| Total comprehensive income | | | | -923.84 | | | | | | -923.84 |
| Grand Total as at 31 March 2022 | | 495.00 | - | -2,008.35 | 457.14 | - | - | - | 175.61 | -880.60 |

As per our separate report of even date attached

For KR AGGARWAL AND ASSOCIATES,

Chartered Accountants

FRN: 030088N

Sd/-

CA Vivek Aneja

Partner

M. No. 544757

Place : Ludhiana

Dated : 30.05.2022

For and on behalf of board

Sd/-

(Kapil Kumar Jain)

Chairman & Managing Director

DIN: 00755228

Sd/-

(Ajit Kumar Jha)

Chief Financial Officer

Sd/-

(Suman Jain)

Director

DIN: 07841463

Sd/-

(Komal Bhalla)

Company Secretary)

Notes to Financial Statements for the year ended 31st March, 2022**1. Background**

Vallabh Steels Limited is a Public incorporated on 25 November 1980. It is classified as Non-govt company and is registered at Registrar of Companies, Chandigarh. Its authorized share capital is Rs. 50,000,000 and its paid up capital is Rs. 49,500,000. It is involved in Manufacture of Basic Iron & Steel.

It is an established name Nationally & Internationally as one of the leading manufacturer of Galvanized Coils /Sheets, Pre-Painted Galvanized Coils and sheets, Galvanized Steel Tubes, Precision Steel Tubes, Galvanized Steel Pipes, Steel Square Tube, Galvanized & Pre-Painted Corrugated Sheets, Pre- painted Trapezoidal / Tile Profile Sheets and PUF Panels etc.

2. Significant accounting policies

The significant accounting policies applied by company in the preparation of financial statements are listed below such policies have been consistently applied to all the years presented.

a) Basis of Preparation**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rules of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical Cost Convention

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

- (i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- (ii) Employee's Defined Benefit Plan as per actuarial valuation.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to two decimals places to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions

Quantitative disclosures of fair value measurement hierarchy

Investment in unquoted equity shares

Financial instruments

c) Current versus non-current classification

All assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in the Schedule III to the Act.

d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act. The residual values are not more than 5% of the original cost of the asset.

e) Impairment of Non-financial assets

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

f) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

g) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expense in the period in which they are incurred.

h) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which 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. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

i) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Vallabh Steels Limited functional and presentation currency.

Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer as per the terms of the contract, there is no continuing managerial involvement with the goods. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods., in case of domestic customer, sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, sales takes place when goods are shipped onboard based on bill of lading.

Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Revenue in respect of export incentives is recognised when such incentives accrue upon export of goods.

k) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and other bank balance

m) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment if any. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

n) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instrument

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order 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.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial 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.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

p) Employee benefits**i) Short term obligations**

Liabilities for wages and salaries, short term compensated absences and ex-gratia short terms compensated absences and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

ii) Post-employment obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

q) Segment reporting

The Company operates only in one segment. i.e. Iron and steel.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would be outstanding assuming the conversion of all dilutive potential equity

Note: 2.1 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation – Note 36

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on Company and that are believed to be reasonable under the

| VALLABH STEELS LIMITED | | | | | | | | | | | |
|---|---------------------|-----------|----------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------------|---------------------|---------------------|---------------------|
| ANNUAL REPORT 2021-22 | | | | | | | | | | | |
| Notes to Financial Statements for the year ended 31st March, 2022 | | | | | | | | | | | |
| Property, Plant and Equipment | | | | | | | | | | | |
| DEPRICIATION CHART COMPANIES ACT 2021-22 | | | | | | | | | | | |
| (Rs. in Lacs) | | | | | | | | | | | |
| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | |
| | As at 01-04-2021 | Additions | Sales/ Adjustment | As at 31-03-2022 | As at 01-04-2021 | For the Period | Sales Depreciation | Adjustment/ Written back | As at 31-03-2022 | As at 31-03-2022 | As at 31-03-2021 |
| Land | 353.24 | - | 232.11 | 121.13 | - | - | - | - | - | 121.13 | 353.24 |
| Building | 539.03 | - | - | 539.03 | 381.89 | 14.83 | - | - | 396.72 | 142.31 | 157.14 |
| Plant & Machinery | 6,296.41 | - | - | 6,296.41 | 5,198.89 | 177.17 | - | - | 5,376.06 | 920.35 | 1,097.52 |
| Furniture & Fixtures | 32.31 | - | - | 32.31 | 30.10 | 0.12 | - | - | 30.23 | 2.08 | 2.21 |
| Vehicle | 47.01 | - | - | 47.01 | 45.30 | 0.32 | - | - | 45.62 | 1.39 | 1.71 |
| Total | 7,268.00 | - | 232.11 | 7,035.89 | 5,656.18 | 192.44 | - | - | 5,848.63 | 1,187.27 | 1,611.81 |
| Capital Work in Progress | 88.25 | - | - | 88.25 | - | - | - | - | - | - | - |
| Grand Total | 7,356.25 | - | 232.11 | 7,124.14 | 5,656.18 | 192.44 | - | - | 5,848.63 | 1,187.27 | 1,611.81 |
| Previous Year | 7,266.16 | 90.09 | - | 7,356.25 | 5,422.42 | 233.77 | - | - | 5,656.19 | 1,611.81 | 1,843.75 |
| Total | | | | | | | | | | | |

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

| Particulars | (Rs. in Lacs) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| 3b Capital Work-in-Progress | | |
| Building under construction | - | - |
| Machinery under erection | 88.25 | 88.25 |
| Total | 88.25 | 88.25 |
| 4a | | |
| Capital Work-in-Progress includes project development expenditure, cost of construction materials, machinery, interest & other expenses. | | |
| 5a | | |
| (i) Investments | | |
| Investment in Equity Instrument | | |
| Investments at fair value through OCI | | |
| Investments in others (Quoted) | | |
| DMC education limited | 0.47 | 0.47 |
| 67200 (Previous Year 67200) Equity Shares of Rs.5/- each. | | |
| Sub Total | 0.47 | 0.47 |
| (ii) Investment in Equity Instrument | | |
| Investments at fair value through OCI | | |
| Investments in Others (Unquoted) | | |
| Associated Leasing Limited | 8.88 | 8.88 |
| 26000 (Previous Year 26000) Fully paid up Equity shares of Rs. 10/- each. | | |
| Sub Total | 8.88 | 8.88 |
| TOTAL (i+ii) | 9.35 | 9.35 |
| 1. Market Value of Quoted Investment | 0.47 | 0.47 |
| 2. Aggregate amount of Unquoted Investment | 8.88 | 8.88 |
| 3. Aggregate amount of Total Investment | 9.35 | 9.35 |
| 5b Other Financial Assets | | |
| (Unsecured considered good) | | |
| Security Deposit | 3.87 | 3.52 |
| Total | 3.87 | 3.52 |
| Security Deposit includes electricity security and transporter security etc | | |
| 6 Other Non-Current Assets | | |
| Capital Advances | 24.87 | 24.87 |
| Prepaid Expense | (0.14) | - |
| Total | 24.73 | 24.87 |
| Capital Advances are towards Haryana State Industrial Development Corp. | | |
| 7 Inventories | | |
| (As taken, valued and approved by management) | | |
| Raw Materials | 18.17 | 56.03 |
| Work-in-Progress | 1.22 | 1.22 |
| Finished Goods | 9.42 | 75.56 |
| Stores and Spares | 807.15 | 1,002.44 |
| Total | 835.96 | 1,135.25 |
| 8a Trade receivables | | |
| Unsecured, considered good | 308.68 | 556.07 |
| Total | 308.68 | 556.07 |

Trade Receivables Aging Schedule as on 31st March 2022

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|--|--|--------------------|----------|----------|-------------------|--------|
| | Not Due | Less than 6 months | 1-2 year | 2-3 year | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | - | - | - | - | 308.68 | 308.68 |
| (ii) Undisputed Trade Receivables - which have a significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have a significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - |

Trade Receivables Aging Schedule as on 31st March 2021

| Particulars | Outstanding for following periods from the due date of payment | | | | | Total |
|--|--|--------------------|----------|----------|-------------------|--------|
| | Not Due | Less than 6 months | 1-2 year | 2-3 year | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | - | - | - | 556.07 | - | 556.07 |
| (ii) Undisputed Trade Receivables - which have a significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have a significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - |

8b Cash and cash equivalents

 Balances with banks - current accounts
 Cash-in-Hand

Total

| | |
|--------------|--------------|
| 1.01 | 12.39 |
| 18.80 | 5.01 |
| 19.81 | 17.40 |

8c Loans

Advances to employees

Total

| | |
|-------------|-------------|
| 0.24 | 0.47 |
| 0.24 | 0.47 |

9 Current tax assets

 Income Tax
 Advance Income Tax (Previous Years)

Total

| | |
|--------------|--------------|
| 2.43 | 30.83 |
| 30.83 | |
| 33.26 | 30.83 |

10
Other current assets

 Advances to suppliers
 Balance with government authorities
 Prepaid expenses
 Others

Total

| | |
|-----------------|-----------------|
| 1,231.64 | 1,230.23 |
| 6.92 | 10.06 |
| 0.41 | 0.66 |
| 10.93 | 11.06 |
| 1,249.89 | 1,252.01 |

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

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 11 Equity Share Capital | | |
| Authorised, issued, subscribed and paid-up share capital and par value per share | | |
| Authorised | | |
| 4950000 equity shares of Rs. 10 each | 495.00 | 495.00 |
| Total | <u>495.00</u> | <u>495.00</u> |
| Issued, subscribed and fully paid up | | |
| 4950000 equity shares of Rs. 10 each | 495.00 | 495.00 |
| (Amount originally paid up) | <u>495.00</u> | <u>495.00</u> |
| 11a Reconciliation of the number of equity Shares outstanding : | | |
| At the beginning of the year | 49,50,000.00 | 49,50,000.00 |
| Outstanding at the end of year | <u>49,50,000.00</u> | <u>49,50,000.00</u> |

11b Terms/rights attached to equity shares :

The company has only one class of Equity Shares having face value of Rs.10/- each. Each holder of equity share is entitled to only one vote per share.

11c Detail of Shareholders holding more than 5% shares :

| Name of the shareholders | As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Mr. Rahul Jain | 280000 | 5.66% | 280000 | 5.66% |
| Mr. Vikram Jain | 300200 | 6.06% | 300200 | 6.06% |
| M/s Vardhman Industires Ltd | 295000 | 5.96% | 295000 | 5.96% |
| M/s Adhinath Investments P. Ltd | 798600 | 16.13% | 798600 | 16.13% |
| M/s Hind Leasing & Finance Ltd | 547400 | 11.06% | 547400 | 11.06% |
| M/s Associated Leasing Ltd | 411500 | 8.31% | 411500 | 8.31% |

11d Detail of Shareholding of Promoters in Equity Shares

| Promoter Name | As At 31st March, 2022 | | As At 31st March, 2021 | | % change during |
|--------------------------------------|------------------------|--------------|------------------------|--------------|-----------------|
| | Number of Shares | % of holding | Number of Shares | % of holding | |
| Kpail Kumar & Sons (HUF) | 2,30,500.00 | 4.66% | 2,30,500.00 | 4.66% | - |
| Vikram Jain & Sons HUF | 92,700.00 | 1.87% | 92,700.00 | 1.87% | - |
| Rahul Jain & Sons HUF | 1,50,000.00 | 3.03% | 1,50,000.00 | 3.03% | - |
| Rahul Jain | 2,80,000.00 | 5.66% | 2,80,000.00 | 5.66% | - |
| Vikram Jain | 3,00,200.00 | 6.06% | 3,00,200.00 | 6.06% | - |
| Kapil Kumar Jain | 2,32,000.00 | 4.69% | 2,32,000.00 | 4.69% | - |
| Associated Leasing Limited | 4,11,500.00 | 8.31% | 4,11,500.00 | 8.31% | - |
| Adhinath Investments Private Limited | 7,98,600.00 | 16.13% | 7,98,600.00 | 16.13% | - |
| Hind Leasing and finance limited | 17,57,500.00 | 35.51% | 17,57,500.00 | 35.51% | - |

12 Other Equity

| | | |
|--|-------------------|-----------------|
| Securities Premium Reserve | | |
| Balance as per last Balance Sheet | 175.61 | 175.61 |
| General Reserve | | |
| Balance as per last Balance Sheet | 457.14 | 457.14 |
| Retained Earnings | (2,008.33) | (1,084.50) |
| | <u>(1,551.19)</u> | <u>(627.36)</u> |
| Retained Earnings | | |
| Balance as per last Balance Sheet | (1,084.50) | 1,017.27 |
| Add: Profit for the year | (923.84) | (2,105.37) |
| Add: Remeasurement gain/(loss) on defined benefit plan | - | 3.60 |
| Add: Other Comprehensive income | - | - |
| Add: Ind AS Adjustments | - | - |
| Less : Transfer to General Reserve | - | - |
| Less : Income Tax adjustments of earlier years | - | - |
| Balance transferred to General Reserve | (2,008.33) | (1,084.50) |
| Total | <u>(1,375.60)</u> | <u>(451.75)</u> |
| TOTAL EQUITY | <u>(880.60)</u> | <u>43.25</u> |

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

| | As at 31 March | As at 31 March 2021 |
|--|-------------------|------------------------|
| 13a Borrowings | | |
| From Banks | | |
| Term loans (Secured) | 572.27 | 572.16 |
| From Others | | |
| Loans and advances from Related parties (Unsecured) | - | - |
| Total | 572.27 | 572.16 |

There was default in the repayment of borrowings and interest thereon. Accordingly, accounts of the company in bank has been classified as sub standard.

13a.1 Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31 March, 2022

In view of default in payment of interest/repayment of installments, no separate disclosure for current maturities and for repayment schedule has been given.

Term loan of OBC is secured by first charge on the block of asset of the company & second charge on entire current assets situated at G.T. Road, Sahnewal, Ludhiana & personally guaranteed by a director of the company.

13b Other Financial Liabilities

| | | |
|------------------|--------------|-------------|
| Security Deposit | 10.28 | 9.33 |
| Total | 10.28 | 9.33 |

Security Deposit includes security received from transporters and contractors etc.

14 Provisions

| | | |
|------------------------|-------------|-------------|
| Provision for Gratuity | 9.05 | 8.80 |
| Total | 9.05 | 8.80 |

15 Deferred Tax Liabilities (net)

| | | |
|--------------------------|----------------|----------------|
| Deferred Tax Liabilities | (52.52) | (43.88) |
| Total | (52.52) | (43.88) |

16 Other Non-current Liabilities

| | | |
|-----------------|----------|---------------|
| Deferred Income | - | (0.00) |
| Total | - | (0.00) |

17a Borrowings

| | | |
|------------------------------------|-----------------|-----------------|
| From Banks | | |
| Loans repayable on demand from PNB | 4,060.73 | 4,072.40 |
| Current Maturities | - | - |
| Total | 4,060.73 | 4,072.40 |

17a.1 Working capital loans from banks are primarily secured by hypothecation of entire present and future tangible current asset of the company and personally guaranteed by a director of the company. It is further secured by second charge on block of assets of the company.

17b Trade Payables

| | | |
|------------------------------------|--------------|--------------|
| Micro Small and Medium Enterprises | - | - |
| Trade Payables | 14.31 | 30.51 |
| Due to others | - | - |
| Total | 14.31 | 30.51 |

17b.1

The Company has not received any communication from all of its suppliers/service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Development Act, 2006. In the absence of any positive confirmation from the suppliers/service providers, the information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 could not be determined.

Trade payable ageing schedule as on 31 March, 2022

(₹ in Lacs)

| Outstanding For Following Periods From Due Date Of Payment | | | | | |
|--|---------|-----------|-----------|-------------------|-------|
| Particulars | Not Due | 1-2 Years | 2-3 Years | More Than 3 years | Total |
| (i) MSME | | | | | |
| (ii) Others | 0.19 | 3.55 | 6.56 | 4.00 | 14.31 |
| (iii) Disputed dues - MSME | | | | | |
| (iv) Disputed dues-Others | | | | | |
| Total | | | | | |

Trade payable ageing schedule as on 31 March, 2021

(₹ in Lacs)

| Outstanding For Following Periods From Due Date Of Payment | | | | | |
|--|---------|-----------|-----------|-------------------|-------|
| Particulars | Not Due | 1-2 Years | 2-3 Years | More Than 3 years | Total |
| (i) MSME | | | | | |
| (ii) Others | 5.06 | 4.36 | 14.59 | 6.50 | 30.51 |
| (iii) Disputed dues - MSME | | | | | |
| (iv) Disputed dues-Others | | | | | |
| Total | | | | | |

17c Other Financial Liabilities

| | | |
|---|--------------|--------------|
| Expenses Payable | 24.24 | 30.90 |
| Cheque issued but not presented for payment | - | 0.53 |
| Total | 24.24 | 31.43 |

Other current Liabilities

| | | |
|----------------------------|-------------|-------------|
| 18 Statutory dues payables | - | 1.00 |
| Advance from customers | 2.41 | 0.76 |
| Deferred Income | - | 0.75 |
| Others | - | - |
| Total | 2.42 | 2.51 |

Provisions

| | | |
|------------------------------------|-------------|-------------|
| 19 Provision for Employee benefits | 1.12 | 3.32 |
| Total | 1.12 | 3.32 |

Provision for employee benefit include short term liability for gratuity determined as per actuarial valuation

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

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|--|---------------------|---------------------|
| 20 Revenue from operations | | | |
| Sale of products | | 93.28 | 590.91 |
| Total | | 93.28 | 590.91 |
| 20.1 Details Of Products Sold | | | |
| C.R. COIL | | 29.80 | 336.39 |
| G.P. COIL | | 38.39 | 140.65 |
| SCRAP | | 25.09 | 53.87 |
| RAW MATERIAL & OTHERS | | - | 60.00 |
| | | 93.28 | 590.91 |
| 21 Other Income | | | |
| Interest income | | 0.20 | 0.18 |
| Rental income | | - | - |
| Profit on sale of Fixed Assets | | - | - |
| Others | | 0.75 | 0.75 |
| Total | | 0.94 | 0.93 |
| 22 Cost of materials consumed | | | |
| Opening stock | | 56.03 | 141.28 |
| Add : Purchases (Net) | | - | 66.28 |
| Less: Closing Stock | | 18.17 | 56.03 |
| Total | | 37.86 | 151.53 |
| 22.1 Detail of Cost of Material Consumed | | | |
| H.R. COILS | | 37.86 | 151.53 |
| | | 37.86 | 151.53 |
| 23 Purchases of stock-in-trade | | - | - |
| 24 Change in inventories of finished goods, stock in trade and work -in-progress | | | |
| Opening stock | | | |
| Work-in-Progress | | 1.22 | 39.90 |
| Finished Goods / Stock in Trade | | 75.56 | 98.26 |
| Less: Closing Stock | | | |
| Work-in-Progress | | 1.22 | 1.21 |
| Finished Goods / Stock in Trade | | 9.42 | 75.56 |
| Total | | 66.14 | 61.39 |
| 25 Employee benefit expense | | | |
| Salary, Wages and other Allowances | | 62.05 | 182.31 |
| Staff Recruitment & Development expenses | | - | - |
| Contribution to Provident and other funds | | 2.91 | 10.76 |
| Gratuity & Ex Gratia | | - | 4.21 |
| Staff Welfare Expenses | | 16.50 | 15.60 |
| Total | | 81.46 | 212.88 |
| 26 Finance cost | | | |
| Interest Expense | | 1.10 | 13.87 |
| Other Borrowings Cost | | 0.04 | 6.06 |
| Total | | 1.14 | 19.93 |

| | | |
|--|----------------|-----------------|
| 27 Other expenses | | |
| a.) Manufacturing Expenses | | |
| Consumption of Stores,consumables & spare parts | 224.75 | 184.70 |
| Power and Fuel | 139.74 | 247.30 |
| Machinery Repairs and Maintenance | 40.22 | 59.00 |
| Other manufacturing expenses | 1.85 | 40.55 |
| Sub-Total | 406.56 | 531.55 |
| b.) Administrative & Other Expenses | | |
| Rates & Taxes | 12.27 | 16.57 |
| Insurance | 0.74 | 1.32 |
| Legal & Professional Expenses | 4.15 | 25.12 |
| Travelling & Conveyance | 22.75 | 26.44 |
| Repairs and Maintenance | 3.32 | 14.65 |
| Payment To Auditor | 0.50 | 2.02 |
| Charity & Donation | - | - |
| Directors Remuneration | 9.00 | 9.00 |
| Electricity & water charges | 2.66 | 9.25 |
| Loss on Sale/discard of Fixed Assets | 0.11 | - |
| Provision for bad debts | 180.96 | 1,377.42 |
| Membership & subscription | 1.47 | 1.71 |
| Printing & stationery | 0.84 | 1.26 |
| Postage & telecommunication exp | 0.93 | 1.61 |
| Miscellaneous Expenses | 1.00 | 3.83 |
| Sub-Total | 240.70 | 1,490.20 |
| c.) Selling Expenses | | |
| Forwarding and Octroi | - | 0.28 |
| Commission & Brokerage | - | - |
| Advertisement | 0.19 | - |
| Rebate & Discount | - | 0.00 |
| Other Selling Expenses | 0.21 | 8.43 |
| Sub-Total | 0.40 | 8.71 |
| Total (a+b+c) | 647.66 | 2,030.46 |
| 27.1 Payment To Auditor | | |
| i) Audit Fees | 0.50 | 2.00 |
| ii) In Other Capacity | - | - |
| iii) Reimbursement of Expenses | - | 0.02 |
| | 0.50 | 2.02 |
| 28 CONTINGENT LIABILITIES NOT PROVIDED FOR : | | |
| NIL | | |
| 29 Capital Commitment | | |
| NIL | | |
| 30 IN THE OPINION OF THE MANAGEMENT THE CURRENT ASSETS AND LOANS AND ADVANCES HAVE A VALUE ON REALISATION IN THE ORDINARY COURSE OF BUSSINESS AT LEAST EQUAL TO THE VALUE AT WHICH THEY ARE STATED IN THE FOREGOING BALANCE SHEET, UNLESS OTHERWISE STATED. | | |
| 31 Earnings Per Share (EPS) (Ind AS-33) | 2021-22 | 2020-21 |
| Profit/(loss) after Tax (Rs. in Lacs) | (923.84) | (2,105.37) |
| Weighted average no. of ordinary shares | 4950000 | 4950000 |
| Weighted average no. of diluted shares | 4950000 | 4950000 |
| Nominal value of ordinary share (₹) | 10 | 10 |
| Basic / Diluted Earning Per Share (₹) | -18.66 | -42.53 |
| 32 Company operates in only one segment viz iron and steel | | |
| 33 Related Party Disclosures as required by IND AS-24 issued by the ICAI are as under: | | |
| (a) Disclosure of Related Parties and relationship between the parties. | | |

1 Key Management Personnel

- a) Mr. Kapil Kumar Jain
b) Mr. Ajit Kumar Jha
c) Ms. Komal Bhalla

2 Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control

(b) Detail of transactions entered into with related parties during the year: (Rs. In Lacs)

| Particulars | Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control | | | |
|----------------------------|---|-------|-------|-------|
| | Key Management Personnel (KMP) | | | |
| | 21-22 | 20-21 | 21-22 | 20-21 |
| Short Term Benefits TO KMP | 15.95 | 24.10 | - | - |

Remuneration of KMP

| PARTICULARS | As at | As at |
|--------------------------|------------------|------------------|
| | 31st March, 2022 | 31st March, 2021 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| (i) Short Term Benefits* | 15.95 | 24.10 |
| Total | 15.95 | 24.10 |

34 Expenditure in Foreign Currency

| PARTICULARS | As at | As at |
|---------------------------------|------------------|------------------|
| | 31st March, 2022 | 31st March, 2021 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| a) Value of Import on CIF basis | | |
| (i) Raw Material | - | - |
| (ii) Capital Goods & Stores | - | - |

35 Value of Imported and Indigenous Raw Material, Consumables, Spare Parts, Components & Store Consumed.

| PARTICULARS | As at | | As at | |
|--|------------------|---------|------------------|---------|
| | 31st March, 2022 | (%) | 31st March, 2021 | (%) |
| | (Rs. in Lacs) | | (Rs. in Lacs) | |
| (i) Raw Material | | | | |
| Imported | - | - | - | - |
| Indigenous | 37.86 | 100.00% | 151.53 | 100.00% |
| ii) Consumables, Stores, Spares Parts & Components | | | | |
| Imported | - | - | - | - |
| Indigenous | 224.75 | 100.00% | 184.70 | 100.00% |

36 Significant accounting judgements, estimates and assumptions

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 accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

37 Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

| PARTICULARS | As at 31st March, 2022 (Rs. in Lacs) | As at 31st March, 2021 (Rs. in Lacs) |
|---|--|--|
| Changes in defined benefit obligation | | |
| Present value obligation as at the start of the year | - | 14.30 |
| Interest cost | - | 1.00 |
| Current service cost | - | 2.36 |
| Actuarial loss/(Gains) | - | -3.60 |
| Benefits paid | - | -3.18 |
| Present value obligation as at the end of the year | - | 10.88 |
| Breakup of Actuarial gain/loss: | | |
| Actuarial (gain)/loss on arising from change in financial assumption | - | - |
| Actuarial (gain)/loss on arising from experience adjustment | - | -3.60 |
| Return on plan assets (greater)/less than discount rate | - | - |
| | - | -3.60 |
| Net Asset/(Liability) recognized in Balance Sheet | | |
| Present value obligation as at the end of the year | - | -10.88 |
| Fair value of plan assets as at the end of the year | - | - |
| Net Asset/(Liability) in Balance Sheet | - | -10.88 |
| Amount recognized in the statement of profit and loss | | |
| Current service cost | - | 2.36 |
| Interest cost | - | 1.00 |
| Interest Income on plan assets | - | - |
| (Income)/Expense recognised in the statement of profit and loss | - | 3.36 |
| Remeasurements recognised in the statement of Other Comprehensive Income (OCI) | | |
| Experience Adjustments | - | -3.40 |
| Changes in Financial Assumptions | - | 1.27 |
| Return on plan assets (greater)/lesser than discount Rates | - | - |
| Net Loss/(Gain) recognised in other comprehensive income | - | 3.40 |
| Actuarial assumptions | | |
| Discount rate | 6.75% | 7.00% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Employee turnover Rate | | |
| (18 to 30 Years) | 5.00% | 5.00% |
| (30 to 44 Years) | 3.00% | 3.00% |
| (44 to 60 Years) | 2.00% | 2.00% |

Mortality Rate

IALM 2006-08
Ultimate

IALM 2006-08
Ultimate

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience

Sensitivity analysis for gratuity liability

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :

| Impact of the change in discount rate | 2021-22 | 2020-21 |
|---|---------|---------|
| a) Impact due to increase of 1.00% | | 10.12 |
| b) Impact due to decrease of 1.00% | | 11.78 |
| Impact of change in salary Escalation Rate | | |
| a) Impact due to increase of 1.00% | | 11.79 |
| b) Impact due to decrease of 1.00% | | 10.10 |
| Impact of change in Employee turnover Rate | | |
| a) Impact due to increase of 1.00% | | 10.96 |
| b) Impact due to decrease of 1.00% | | 10.80 |

The sensitivity analysis above have been

Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2022 were as follows:

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2022 is Rs. 1.22 Lacs(for the year ended 31st March, 2021 i.e. 2.74 Lacs)

Weighted average duration of defined plan obligation (based on discounted cash flow)

Gratuity

12 Years

14 Years

The following are the expected future benefits payments for the defined benefit plan :

| PARTICULARS | As at | PARTICULARS | As at |
|------------------------|------------------|------------------------|------------------|
| | 31st March, 2022 | | 31st March, 2022 |
| | (Rs. in Lacs) | | (Rs. in Lacs) |
| Description | | Description | |
| March 31, 2020 | - | March 31, 2019 | - |
| March 31, 2021 | 1.86 | March 31, 2020 | 3.24 |
| March 31, 2022 | 0.84 | March 31, 2021 | 0.70 |
| March 31, 2023 | 0.40 | March 31, 2022 | 1.35 |
| March 31, 2024 | 0.35 | March 31, 2023 | 1.20 |
| March 31, 2025 | 2.39 | March 31, 2023 onwards | 0.86 |
| March 31, 2025 onwards | 8.43 | March 31, 2024 onwards | 25.98 |

Current Liability (* Expected payout in next year as per schedule III of the companies Act 2013):

| Period | As at: 31-03-2022 | As at: 31-03-2021 |
|-----------------------------------|-------------------|-------------------|
| Current Liability (Short Term) | 1.22 | 2.09 |
| Non Current Liability (Long Term) | 7.83 | 8.80 |
| Total Liability | 9.05 | 10.89 |

38 **Fair value measurement**

(a) Financial instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value.

| PARTICULARS | As at | | | As at | | |
|---------------------------|------------------|-------|----------------|------------------|-------|----------------|
| | 31st March, 2022 | | | 31st March, 2021 | | |
| | (Rs. in Lacs) | | | (Rs. in Lacs) | | |
| | FVTPL | FVOCI | Amortised Cost | FVTPL | FVOCI | Amortised Cost |
| Financial assets | | | | | | |
| Equity Instruments | - | 9.35 | - | - | 9.35 | - |
| Security Deposit | - | - | 3.87 | - | - | 3.52 |
| Trade receivables | - | - | 308.68 | - | - | 556.07 |
| Cash and cash equivalents | - | - | 19.81 | - | - | 17.40 |
| Loans | - | - | 0.24 | - | - | 0.47 |
| Total | - | 9.35 | 332.60 | - | 9.35 | 577.46 |

Financial assets and liabilities measured at fair value - recurring fair value measurements

| PARTICULARS | As at | | | As at | | |
|---|------------------|-------|----------------|------------------|-------|----------------|
| | 31st March, 2022 | | | 31st March, 2021 | | |
| | (Rs. in Lacs) | | | (Rs. in Lacs) | | |
| | FVTPL | FVOCI | Amortized cost | FVTPL | FVOCI | Amortised Cost |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 572.27 | - | - | 572.16 |
| Security deposit | - | - | 10.28 | - | - | 9.33 |
| Current Borrowings | - | - | 4060.73 | - | - | 4072.40 |
| Trade payable | - | - | 14.31 | - | - | 30.51 |
| Cheque issued but not presented for payment | - | - | 0.00 | - | - | 0.00 |
| Current Maturities | - | - | 0.00 | - | - | 0.00 |
| Total | - | - | 4657.59 | - | - | 4684.40 |

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian accounting standards. (Ind AS 107) An explanation of each level follows under the table.

| PARTICULARS | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|-------------------------|---------------------------|----------|-------------|---------------------------|----------|-------------|
| | (Rs. in Lacs) | | | (Rs. in Lacs) | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Equity Instruments | 0.47 | - | 8.88 | 0.47 | - | 8.88 |
| Total | 0.47 | - | 8.88 | 0.47 | - | 8.88 |

Financial assets and liabilities measured at amortised cost for which fair values are disclosed

| PARTICULARS | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---------------------------|---------------------------|----------|---------------|---------------------------|----------|---------------|
| | (Rs. in Lacs) | | | (Rs. in Lacs) | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Security Deposit | - | - | 3.87 | - | - | 3.52 |
| Trade Receivables | - | - | 308.68 | - | - | 556.07 |
| Cash and cash equivalents | - | - | 19.81 | - | - | 17.40 |
| Loans | - | - | 0.24 | - | - | 0.47 |
| Total | - | - | 332.60 | - | - | 577.46 |

| PARTICULARS | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---|---------------------------|----------|----------------|---------------------------|----------|----------------|
| | (Rs. in Lacs) | | | (Rs. in Lacs) | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 572.27 | - | - | 572.16 |
| Security deposit | - | - | 10.28 | - | - | 9.33 |
| Current Borrowings | - | - | 4060.73 | - | - | 4072.40 |
| Trade payable | - | - | 14.31 | - | - | 30.51 |
| Expenses Payable | - | - | 24.24 | - | - | 0.00 |
| Cheque issued but not presented for payment | - | - | 0.00 | - | - | 0.00 |
| Current Maturities | - | - | 0.00 | - | - | 0.00 |
| Total | - | - | 4681.83 | - | - | 4684.40 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. Security deposits are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

39 Financial risk management objectives and policies:

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investment, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk & other price risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. As the accounts of the company has been classified as sub standard quantum of risk associated cannot be ascertained.

b) Foreign currency risks

The company has no foreign exchange exposure hence, there is currency risk involved.

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions and other financial instruments.

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based 'on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk on reporting date

(ii) Moderate credit risk

(iii) High credit risk

Financial assets that expose the entity to credit risk: –

| PARTICULARS | As at | As at |
|--|------------------|------------------|
| | 31st March, 2022 | 31st March, 2021 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| Low credit risk on reporting date | | |
| Cash and cash equivalents | 19.81 | 17.40 |
| Trade receivables | 308.68 | 556.07 |
| Investments | 9.35 | 9.35 |
| Security Deposit | 3.87 | 3.52 |
| Loans(current) | 0.24 | 0.47 |
| Moderate credit risk | - | - |
| High credit risk | - | - |

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The company closely monitors the credit-worthiness of debtors through internal system that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. Further there has never been bad debts in the company since its inception,

Gross carrying amount of trade receivables

| PARTICULARS | As at | As at |
|---------------------------|------------------|------------------|
| | 31st March, 2022 | 31st March, 2021 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| Ageing | | |
| Not due | | |
| 0-180 days | - | - |
| more than 180 days | 308.67 | 556.07 |

(C) Liquidity risk

As the accounts of the company has been classified as sub standard , quantum of risk associated cannot be ascertained.

40 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

| PARTICULARS | As at | As at |
|---------------------------------|------------------|------------------|
| | 31st March, 2022 | 31st March, 2021 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| Borrowings | 4633.00 | 4644.56 |
| Trade payables | 14.31 | 30.51 |
| Less: Cash and cash equivalents | 19.81 | 17.40 |
| Net debt | 4627.50 | 4657.67 |
| Equity | 495.00 | 495.00 |
| Capital and net debt | 5122.50 | 5152.67 |
| Gearing ratio | 90.34% | 90.39% |

41 Additional Regulatory Information :

(a) Ratio

| Particulars | Formula | 31 March,2022 | | | 31 March,2021 | | Variance % |
|---|---|------------------------|-------------------------|-------|------------------------|-------|------------|
| | | Numerator (Rs in Lacs) | Denominator(Rs in Lacs) | Ratio | Numerator (Rs in Lacs) | Ratio | |
| Current ratio (in times) | Current Assets / Current Liabilities | 2,447.85 | 4,102.81 | 0.60 | 2,992.03 | 0.72 | 0.21 |
| Debt-Equity Ratio (in times) | Total Debt / Shareholder's Equity | 4,633.00 | 495.00 | 9.36 | 4,644.56 | 9.38 | 0.00 |
| Debt Service Coverage Ratio (in times) | Earnings available for debt service / Debt Service | -730.26 | - | - | -1,851.67 | - | - |
| Return on Equity Ratio (in %) | Net Profit/(Loss) for the year less Preference Dividend (if any) / Average Shareholder's Equity | -923.84 | -418.68 | 2.21 | -2,105.37 | -1.92 | -1.87 |
| Inventory Turnover Ratio (in times) | Revenue from Operations/ Average Inventory | 93.28 | 985.61 | 0.09 | 590.91 | 0.50 | 4.26 |
| Trade Receivables Turnover Ratio (in times) | Revenue from Operations / Average Trade Receivables | 93.28 | 432.38 | 0.22 | 590.91 | 0.40 | 0.87 |
| Trade Payables Turnover Ratio (in times) | Net Credit Purchases/ Average Trade Payables | - | 22.41 | - | - | - | - |
| Net Capital Turnover Ratio (in times) | Revenue from Operations/ Working Capital | 93.28 | -1,654.96 | -0.06 | 590.91 | -0.51 | 8.13 |
| Net Profit Ratio (in %) | Net Profit/ (Loss) for the Period /Revenue from Operations | -923.84 | 93.28 | -9.90 | -2,105.37 | -3.56 | -0.64 |
| Return on Capital Employed (in %) | Earnings before Interest and Tax/ Capital Employed | -931.34 | -341.51 | 2.73 | 358.07 | 0.61 | -0.78 |
| Return on Investment (in %) | Income Generated from Investments/ Average funds invested | - | 9.35 | - | - | - | - |

42 The Schedule III to the Companies Act, 2013 has been amended in respect of certain regrouping/disclosures vide notification dated 24th March, 2021 which are applicable w.e.f 1st April 2021, the figures have been presented in the above financial statement after considering the said amendments.

As per our separate report of even date attached

For KR AGGARWAL AND

ASSOCIATES,

Chartered Accountants

FRN: 030088N

Sd/-

CA Vivek Aneja

Partner

M. No. 544757

Place : Ludhiana

Dated : 30.05.2022

Sd/-
(Kapil Kumar Jain)
Chairman & Managing Director

DIN: 00755228

Sd/-
(Komal Bhalla)
Company Secretary

Sd/-
(Suman Jain)
Director

DIN: 07841463

Sd/-
(Ajit Kumar Jha)
Chief Financial Officer



VALLABH STEELS LIMITED

Regd. Off.: G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120(Punjab), India,
 CIN: L27109PB1980PLC004327 Tel.: +91-161-2511413, Fax: +91-161-2511414,
 E-mail: fin.ho@vallabhgroup.com, website: www.vallabhsteelsltd.in

ATTENDANCE SLIP

I/We hereby record my/our presence at the 42nd Annual General Meeting held on Thursday, the 29th day of September, 2022 at 10.00 a.m. at Registered Office of the Company at G.T. Road, Village Pawa, Sahnewal, Ludhiana.

Name of the member(s):
 D.P. ID*:
 Client ID*:

Registered Address:
 Folio No. :
 No. of Share(s) held:

| Sr. No. | Resolution | I/We assent to the Resolution | I/We dissent to the Resolution |
|---------------------------|--|-------------------------------|--------------------------------|
| | | For** | Against** |
| Ordinary Business: | | | |
| 1. | To receive, consider and adopt Balance Sheet and Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2022. | | |
| 2. | To appoint a Director in place of Mr. Kapil Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company. | | |
| 3. | Re-appointment of Statutory Auditors of the Company | | |
| Special Business: | | | |
| 4. | To consider and approve the appointment of the Secretarial Auditors of the Company for the financial year 2022-23. | | |

(SIGNATURE OF SHAREHOLDER/PROXYHOLDER)_____

Notes:

- (i) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
- (ii) Members are requested to bring their copy of Annual Report.

*Applicable for investors holding shares in electronic form.

** Please tick anyone.



VALLABH STEELS LIMITED

Regd. Off.: G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120(Punjab), India,
 CIN: L27109PB1980PLC004327 Tel.: +91-161-2511413, Fax: +91-161-2511414,
 E-mail: fin.ho@vallabhgroup.com, website: www.vallabhsteelsltd.in

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the member(s):
 D.P. ID*:
 Client ID*:

Registered Address:
 Folio No. :
 No. of Share(s) held:

I/We, being the member/members of **VALLABH STEELS LIMITED**, hereby appoint:

1. Name _____ 2. Name _____ 3. Name _____
 Address _____ Address _____ Address _____
 E-mail id _____ E-mail id _____ E-mail id _____
 Signature _____ or failing him/her Signature _____ or failing him/her Signature _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Thursday, the 29th Day of September, 2022 at 10:00 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution | I/We assent to the Resolution | I/We dissent to the Resolution |
|---------------------------|--|----------------------------------|-----------------------------------|
| | | For** | Against** |
| Ordinary Business: | | | |
| 1. | To receive, consider and adopt Balance Sheet and Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2022. | | |
| 2. | To appoint a Director in place of Mr. Kapil Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company. | | |
| 3. | Re-appointment of Statutory Auditors of the Company | | |
| Special Business: | | | |
| 4. | To consider and approve the appointment of the Secretarial Auditors of the Company for the financial year 2022-23. | | |

Affix
 Revenue
 Stamp

Signed this ___ day of September, 2022. Signature _____

Notes:

- (i) A Member entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & vote on poll instead of himself/herself.
 (ii) The proxy form duly signed across the revenue stamp of Re. 1/- should reach the Company's Regd. Office at least 48 hours before the scheduled time of the meeting.

*Applicable for investors holding shares in electronic form.

** Please tick anyone.

VENUE OF 42nd AGM OF VALLABH STEELS LIMITED

AT REGISTERED OFFICE AT
G.T. Road, Village Pawa, Sahnewal, Ludhiana-141120
10:00 A.M., 29/09/2022

