



# VRUDDHI

ENGINEERING WORKS LIMITED

Date:-07-09-2024

To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited  
Listing Department  
Phiroze Jeejeeboy Tower,  
Dalal Street,  
Fort Mumbai-400 001

**Scrip code: 544157**

**Sub:- Annual General Meeting- Annual Report 2023-24 including Notice of AGM**

Dear Sir/Madam,

This is to inform that the Annual General Meeting ("AGM") of the company will be held on Monday, 30th September, 2024 at 11:00 a.m. (IST), at the registered office of the company situated at 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Maharashtra, India, 400069

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with Notice of AGM which will be sent through electronic mode to the shareholders.

The Annual Report containing the Notice is also uploaded on the Company's website [www.vruddhicouplers.com](http://www.vruddhicouplers.com)

Kindly take this information into your records.

**For Vruddhi Engineering Works Limited**

**Vedant Mukesh Mehta**  
**Whole-time Director**  
**DIN 08936999**

Encl: As Above.



[www.vruddhicouplers.com](http://www.vruddhicouplers.com)



[sales@vruddhicouplers.com](mailto:sales@vruddhicouplers.com)



Reg. Office: 1317, Hubtown Solaris  
N. S. Phadke Road, Near Flyover Bridge,  
Andheri East, Mumbai - 400069



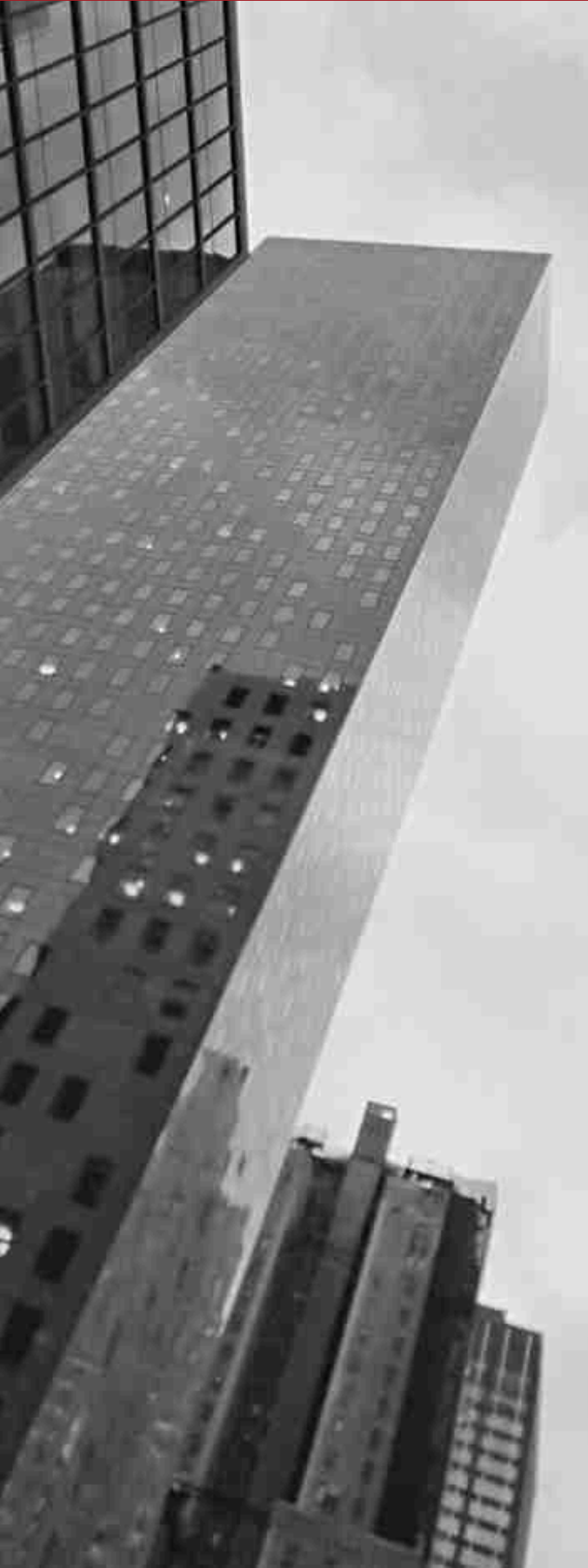
022-26128915/16

(Formerly known as Vruddhi Steel Limited)

GST: 27AAHCV6949H1ZQ  
CIN: U28246MH2020PLC348853



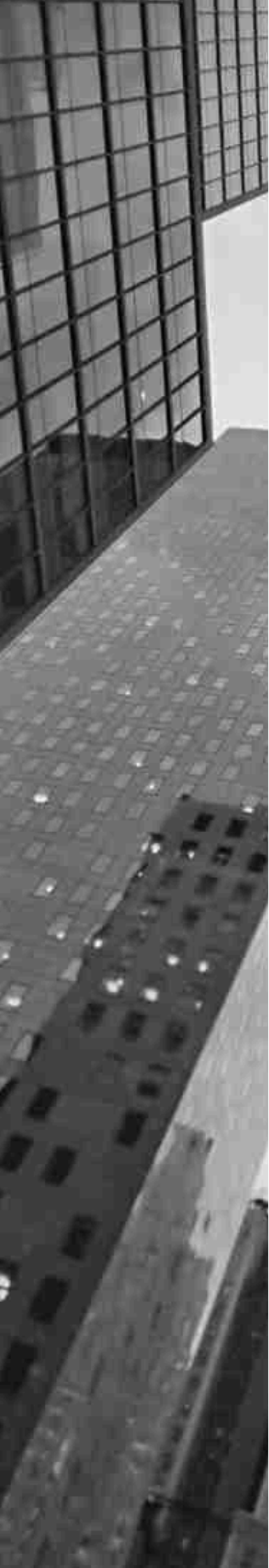
**VRUDDHI**  
ENGINEERING WORKS LIMITED



# ANNUAL REPORT

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**2024**



# **EXECUTIVE SUMMARY**



A vertical image on the left side of the page showing several pieces of rebar (reinforcing steel) against a light blue sky. The rebar has a ribbed texture and some pieces have yellow caps at the ends. One piece in the foreground has a dark, cylindrical sleeve or cap on its end.

# THE PURPOSE

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## **"Driving Sustainable Growth through Innovation and Excellence"**

In 2024, Vruddhi Engineering Works Limited is committed to strengthening its position as a leader in the construction and engineering industry by delivering innovative, high-quality solutions that empower our clients and contribute to the sustainable development of infrastructure. Our focus is on expanding our product offerings, enhancing customer satisfaction, and fostering a culture of continuous improvement and collaboration. We aim to build stronger relationships with our clients and partners, ensuring that every project we undertake reflects our dedication to excellence, safety, and environmental responsibility."

# THE VISION

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Transforming construction through innovative value added engineering solutions



# THE OBJECTIVE

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## Vruddhi's Objective in 2025

To achieve 50% growth by expanding our product portfolio, enhancing operational efficiency, and strengthening client partnerships, while maintaining our commitment to quality, safety, and sustainability.

### Key Focus Areas:

- **Product Innovation:** Introduce innovative product lines and enhancements that address emerging market needs, reinforcing our leadership in the industry.
- **Geographical Expansion:** Expand our market presence across pan India, with a specific focus on the southern region, to establish a stronger foothold in high-potential areas.
- **Focus on Infrastructure Projects:** Increase our involvement in infrastructure-related sectors, offering tailored solutions to meet the growing demands of this industry.
- **Operational Excellence:** Enhance production efficiency through advanced manufacturing technologies and lean processes to improve cost-effectiveness and delivery timelines.
- **Team Development:** Invest in continuous learning and development for our employees, fostering a culture of innovation and ensuring high satisfaction and retention rates.
- **Customer Engagement:** Strengthen client relationships by offering personalized solutions and superior support, while seeking new strategic partnerships to drive business growth.



# CORE VALUES

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- **Innovation:** We embrace a culture of continuous innovation, pushing the boundaries of engineering to develop groundbreaking solutions that redefine the construction industry.
- **Customer-Centricity:** Our customers are at the heart of our business. We listen to their needs, understand their challenges, and work collaboratively to deliver tailored engineering solutions that exceed their expectations.
- **Integrity:** We conduct ourselves with the highest level of integrity, maintaining honesty, transparency, and ethical behavior in all our interactions with customers, partners, employees, and stakeholders.
- **Sustainability:** We are committed to environmental sustainability, developing products and solutions that promote energy efficiency, reduce waste, and contribute to the creation of sustainable, resilient structures and infrastructure.
- **Safety:** We prioritize the safety of our employees, customers, and end-users. We integrate safety considerations into the design, manufacturing, and implementation of our engineering solutions to ensure the well-being of all stakeholders.
- **Continuous Learning:** We value continuous learning and personal growth. We encourage our employees to expand their knowledge, acquire new skills, and stay at the forefront of industry advancements to better serve our customers and drive innovation.

# MESSAGE FROM THE DIRECTOR

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**Dear Stakeholders,**

As I reflect on the past year, I am filled with immense pride in what our team has accomplished. We have navigated through challenges with resilience, embraced new opportunities, and stayed true to our mission of delivering excellence in everything we do.

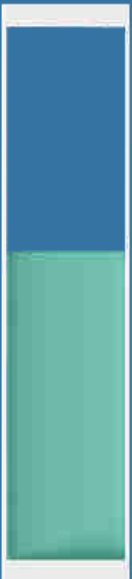
Our strategic initiatives have borne fruit, resulting in significant growth and strong financial performance. This year, we successfully launched **Vruddhi Sonic Tube (VST) and Vruddhi Conical Wall Tie (VCT)**, positioning us for even greater success in the coming years. Additionally, we have expanded our geographical presence across **pan India**, with a focused push into the **Southern region**, enhancing our ability to serve a wider market.

Beyond our financial achievements, we believe that our success is not just measured by the bottom line, but by the positive impact we create for our clients and communities.

Looking ahead, we are more committed than ever to **engineering the future** through innovation, operational excellence, and delivering value to our customers and stakeholders. Our roadmap for the future is ambitious, and I am confident that with the continued dedication of our team, we will achieve our goals.

Thank you for your unwavering support. Together, we will continue to build on our successes and create a brighter future.

**Sincerely,**  
**Bindi Mehta**  
[Chairperson and Managing Director]  
Vruddhi Engineering Works Limited





# **BUSINESS SEGMENTS**

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# REBAR COUPLERS

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Vruddhi Engineering Works Limited continued to strengthen its position as a leader in the construction industry by delivering a diverse range of high-quality products tailored to meet the needs of our clients. Our key product lines for this year include:

- **Cold Forged Coupler**

Vruddhi cold forged couplers system has a proven splicing performance under compression, tension, cyclic and fatigue loads. It is designed to withstand an ultimate tensile performance up to 650 MPa. The rebar ends are enlarged by cold forging and then threaded by two on-site machines. They are recommended for use in seismic conditions. Available in sizes  $\phi$  16mm to 40mm.



- **Parallel Roll Threaded Coupler**

Vruddhi Parallel threaded couplers are designed for connecting reinforcement bars from  $\phi$  16 mm to 40 mm. The rebar threads are parallel threaded by a roller threading machine.



- **Precast Coupler**

Vruddhi Precast couplers are specially designed for rebar splicing to connect precast elements. It is a half-grout system having one threaded end for connecting rebar and a hollow cavity for connecting two precast elements on construction site. The system offers benefits of threaded system along with tolerance and flexibility of grout system.



- **Hydraulic Crimping Coupler**

A cold extrusion hydraulic press is used to connect two non-threaded rebars, with a hydraulic power pack and hand-held jack deployed on-site for crimping. This method is ideal for extending RCC members where lap length is unavailable, retrofitting, strengthening, and repairing structures, or in situations where rebar end preparation is not possible.



- **Taper Threaded Couplers**

It uses self-aligning taper threads to join two reinforcement bars with positive locking. Vruddhi taper threaded couplers provide consistent performance and are easy to install.



- **Bolted Couplers**

Vruddhi bolted couplers are utilized to connect two reinforcing bars end-to-end when one bar is already cast in place and there is inadequate space to use a hydraulic cold press for crimping. They are quite easy to install. Installation doesn't require any special rebar end preparation.



# VRUDDHI SONIC TUBE (VST)

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In 2024, Vruddhi Engineering Works Limited continues to innovate with the introduction of the Vruddhi Sonic Tube (VST), a key product designed to ensure quality in deep foundation testing, such as diaphragm walls, drilled shafts, and bored piles.

The VST, also known as Cross-hole Sonic Logging (CSL) Tubes, plays a crucial role in modern construction projects by providing an accurate method to test the strength and integrity of concrete in deep foundations. These tubes are embedded in the structure prior to concrete pouring, helping assess the integrity and ensuring compliance with safety standards.



## Key Features:

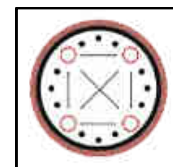
- **No Threading or Welding Required:** The VST features a push-fit assembly, making it easy to install without the need for threading or welding. This results in faster installations, lower labor costs, and higher efficiency on-site.
- **Bell-shaped Design:** The VST's bell-shaped ends allow for secure and stable placement within the rebar cage, streamlining the assembly process.
- **Durable:** Made from thin steel with high-quality rubber gaskets, the VST offers a dependable seal, preventing debris from entering the tube and maintaining its integrity during testing.
- **Versatility:** Available in multiple sizes (VST-50, VST-100, and VST-150), the VST caters to various construction needs, ensuring compatibility across diverse project specifications.

## Advantages:

- **Cost-Effective Installation:** The simple push-fit system and no special equipment required reduce labor and equipment costs.
- **Accurate Testing:** The VST's robust construction ensures leak-proof connections, guaranteeing precise test results and contributing to safer, more durable structures.
- **Adaptability:** Rubber gaskets are easily replaceable if damaged, ensuring long-term consistency and efficiency.

## Product Sizes:

- **VST-50:** Outer Diameter: 50.8 mm,
- **VST-100:** Outer Diameter: 102 mm,
- **VST-150:** Outer Diameter: 154 mm,



## Sizes:

- VST 50
- VST 100
- VST 150

The Vruddhi Sonic Tube has established itself as a vital component in ensuring the structural integrity of modern infrastructure projects. Its design, ease of use, and cost-efficiency have made it a preferred choice for contractors and developers alike, as it supports the critical need for cross-hole sonic logging (CSL) testing. As we look toward the future of engineering, the VST exemplifies Vruddhi Engineering Works Limited's commitment to leading the way with innovative solutions. This product underscores our dedication to advancing the construction industry by offering high-performance tools that meet the evolving demands of infrastructure development.

# MACHINES

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2024 was a year of expansion and enhancement for our service offerings. At Vruddhi Engineering Works Limited, we focus on providing comprehensive services that support our products and ensure the success of our clients' projects:

- **Rebar Threading Machine**

The BTS Rebar Threading Machine continues to be a vital tool, delivering high-precision threading that ensures consistent quality in rebar connections, crucial for maintaining project integrity.



- **Rebar Roller Threading Machine**

Our Rebar Roller Threading Machine is designed for efficiency and accuracy, helping clients reduce labor costs and improve installation speeds without compromising on quality.



- **Rebar Cold Forging Machine**

The Rebar Cold Forging Machine is integral to the production of our Cold Forged Couplers, ensuring each coupler meets the highest standards of strength and performance.



- **Mobile Van Services**

We provide mobile van services equipped with machinery for on-site rebar threading and other essential tasks. This service allows us to offer timely support directly at the construction site, ensuring minimal downtime and efficient project completion.

- **On-Site Machine Work**

Our team of experts is available for on-site machine work, providing hands-on assistance with installation, maintenance, and troubleshooting to ensure that our products perform at their best.

# VRUDDHI CONICAL WALL TIE (VCT)

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VCT is used to lock formwork panels, with a provision to leave a rod in the structure for leakage protection. It is an alternative to conventional wall ties, eliminating the need for sacrificial through-hole grouting in the structure.

## Key Features of VCT:

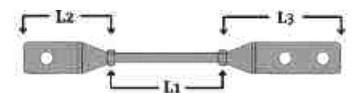
- **Versatility:** The VCT is designed to be compatible with a wide range of formwork systems, making it a valuable asset for any construction project. Its adaptability allows seamless integration, ensuring uniformity and ease of use across different projects.
- **Leakage Protection:** The VCT enhances the integrity of the structure by minimizing leakage through its design. A rod left inside the structure provides a superior seal, reducing the risk of leakage and ensuring the long-term durability of the structure.
- **Enhanced Stability:** Precision is critical in construction, and the VCT ensures precise alignment of formwork panels. This accuracy improves the stability of concrete walls, reducing defects and enhancing overall quality.
- **Cost-Effectiveness:** The cones at each end of the VCT are reusable throughout the entire construction project. This not only lowers material costs but also supports environmentally friendly practices by reducing waste.
- **Improved Structural Integrity:** The sacrificial rod of the VCT ensures there are no through-holes in reinforced concrete, enhancing the structural strength and reducing grout filling time, which significantly cuts down project timelines.



## Product Design:

**L1:** Designed according to the width of the structure.

**L2 & L3:** Designed as per formwork specifications to meet the unique needs of each project.





# **HUMAN RESOURCES**

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# HUMAN RESOURCES

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2024 was a year of expansion and enhancement for our service offerings. At Vruddhi Engineering Works Limited, we focus on providing comprehensive services that support our products and ensure the success of our clients' projects:

- **Team Overview:**

At Vruddhi Engineering Works Limited, our Human Resources team plays a pivotal role in fostering a dynamic and high-performing workplace. Our strength lies in the dedicated efforts of our HR professionals who drive various initiatives to enhance employee development and engagement.

- **Training Programs:**

We are committed to the continuous growth and development of our employees. Our comprehensive training programs are designed to equip our team with the necessary skills and knowledge to excel in their roles. These programs include technical training on our product lines, leadership development, and soft skills workshops. By investing in our employees' growth, we ensure they are well-prepared to meet both current and future challenges.

- **Employee Achievements:**

Our team's accomplishments are a testament to their hard work and dedication. We take pride in celebrating individual and collective achievements that contribute to the success of our organization. Whether it's a notable project completion, a significant innovation, or recognition in industry forums, our employees' achievements are a source of inspiration and motivation for the entire team.

- **HR Initiatives:**

Our HR initiatives focus on creating a supportive and inclusive work environment. We actively seek feedback from employees to continuously improve our practices and ensure their needs are met. Key initiatives include enhanced employee wellness programs, regular performance reviews, and initiatives to promote work-life balance.

# CULTURE AND VALUES

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## **Company Culture:**

Our company culture is grounded in respect, collaboration, and excellence. We believe in fostering a positive work environment where every team member feels valued and empowered. Our culture encourages open communication, teamwork, and a commitment to achieving our organizational goals with integrity and dedication.

## **Special Events and Initiatives:**

To reinforce our values and enhance team bonding, we organize various events throughout the year. A notable example is the picnic for our machine operators on Independence Day, held on August 15th. This event provided an opportunity for our team to relax, celebrate, and strengthen their connections outside the workplace.

Another highlight was the office picnic held on February 10th, which focused on team-building activities, including group games and adventure challenges. These activities encouraged collaboration, communication, and camaraderie among our employees.

Such initiatives are integral to building a cohesive and motivated team.

# CORPORATE INFORMATION

## Board of Directors

Mrs. Bindi Kunal Mehta  
Mrs. Varsha Mukesh Mehta  
Mr. Vedant Mukesh Mehta  
Mr. Karan Manoj Doshi  
Ms. Shivani Kumari Joshi  
Mrs. Ankita Rohan Kothari

Chairperson and Managing Director  
Whole-time Director  
Whole-time Director  
Independent Director  
Independent Director  
Independent Director

## Company Secretary

CS Kishori Jaysingh Sodha

## Chief Financial Officer

Mrs. Hiral Rushang Gandhi (Resigned w.e.f. 28.08.2024)  
Mrs. Yogita Ramesh Kadam (Appointed w.e.f. 28.08.2024)

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Stakeholder Relationship Committee</b>
<ul style="list-style-type: none"><li>Mrs. Ankita Rohan Kothari ©</li><li>Mr. Karan Manoj Doshi</li><li>Mrs. Bindi Kunal Mehta</li></ul>	<ul style="list-style-type: none"><li>Mrs. Ankita Rohan Kothari ©</li><li>Mr. Karan Manoj Doshi</li><li>Ms. Shivani Kumar Doshi</li></ul>	<ul style="list-style-type: none"><li>Mr. Karan Manoj Doshi ©</li><li>Mrs. Bindi Kunal Mehta</li><li>Mr. Vedant Mukesh Mehta</li></ul>

## © Chairperson

<b>Statutory Auditors (FY 2023-24)</b>	<b>Secretarial Auditor (FY 2023-24)</b>	<b>Bankers (FY 2023-24)</b>
M/s. Maheshwari & Co. Chartered Accountants	Krushang Shah & Associates Company Secretary	ICICI Bank Canara Bank

## Registrar & Share Transfer Agent

### BIGSHARE SERVICES PRIVATE LIMITED

S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,  
Mahakali Caves Road, Andheri (East) Mumbai – 400093,  
Maharashtra, India  
Tel No: +91 022 6263 8200  
E-mail Id: ipo@bigshareonline.com  
Website: www.bigshareonline.com

## Registered Office

1317, Hubtown Solaris, N. S. Phadke Road,  
Near Flyover Bridge, Andheri East, Mumbai,  
Maharashtra, India, 400069  
E-mail id: [cs@vruddhicouplers.com](mailto:cs@vruddhicouplers.com)  
Website: [www.vruddhicouplers.com](http://www.vruddhicouplers.com)



## **BRIEF BIOGRAPHIES OF OUR DIRECTORS:**

### **MRS. BINDI KUNAL MEHTA – CHAIRPERSON AND MANAGING DIRECTOR**

Bindi Kunal Mehta, age ~42 years, is the Promoter and Chairperson & Managing Director of our Company and she has been on the board since incorporation. She holds degree of bachelor of commerce in financial accounting and audit from University of Mumbai in 2003. She has experience of more than 6 years in steel industry.

### **MR. VEDANT MUKESH MEHTA, WHOLE-TIME DIRECTOR**

Vedant Mukesh Mehta, age ~29 years, is the Whole Time Director of our Company and he has been on the board since incorporation. He holds bachelor of electronic engineering degree from University of Mumbai, and post graduate diploma in rural management from Institute of Rural Management Anand in 2019. He has experience of more than 3 years in steel industry.

### **MRS. VARSHA MUKESH MEHTA, WHOLE-TIME DIRECTOR**

Varsha Mukesh Mehta, age ~64 years, is the Whole Time Director of our Company and she has been on the board since December 22, 2022. She has done is under graduate

### **MS. SHIVANI KUMARI JOSHI, NON-EXECUTIVE INDEPENDENT DIRECTOR**

Shivani Kumari Joshi, age ~26 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. She holds master of arts degree in Literature from Mohanlal Sukhadia University, Udaipur in 2018. She also holds bachelor of education degree from Mohanlal Sukhadia University, Udaipur in 2020. She has been associated with Danube Industries Limited as Independent Director since November 15, 2022.

### **MR. KARAN MANOJ DOSHI, NON-EXECUTIVE INDEPENDENT DIRECTOR**

Karan Manoj Doshi, age ~30 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. He holds bachelor of technology degree civil degree from Veermata Jijabai Technological Institute in 2015. He has combined experience of more than 7 years in real estate, interior designing and contracting and plastic industry.

### **MRS. ANKITA ROHAN KOTHARI, NON-EXECUTIVE INDEPENDENT DIRECTOR**

Ankita Rohan Kothari, age 36 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. She holds master of commerce from Mumbai University. She has been associated with Kothari Drugs & Chemicals Private Limited as Director since December 07, 2015.

## BOARD'S REPORT

Dear Shareholders,

The Board of Directors are pleased to present the 4th Annual Report of the Company together with its Audited Financial Statements for the Financial Year ('FY') ended March 31, 2024.

### FINANCIAL PERFORMANCE

During the year under review, the performance of your Company was as under:

(Amount in Lakhs)

Particulars	Standalone	
	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Revenue from operations	2182.09	1307.69
Total Expenses	2137.82	1208.17
Profit/(Loss) before taxation	79.59	101.45
Less : Tax Expense	22.3	26.11
<b>Profit/(Loss) after tax</b>	<b>57.29</b>	<b>75.34</b>
EPS (Basic & Dilution) Before Bonus	90.46	242.66
EPS (Basic & Dilution) After Bonus	3.11	15.17

### STATE OF COMPANY'S AFFAIRS

The Company is engaged in the business of trading of couplers, threading services and crimping services for couplers, trading, importing and exporting of engineered construction products, MS products and construction machinery and spares. Your Company has achieved a total income of Rs. 2217.41/- Lakhs during the year under review as against Rs. 1309.62/- Lakhs in the previous financial year. The net profit after tax of the Company for the year under review is Rs. 57.29/- Lakhs as compared to profit of Rs. 75.34/- Lakhs for the previous year. The net profit before tax for the year under review is Rs. 79.59/- Lakhs as compared to profit of Rs. 101.45/- Lakhs for the previous year.

### FUTURE OUTLOOK

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

We intend to leverage our design and engineering capabilities to increase our focus on advanced products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. We believe that the construction industry is evolving rapidly both in terms of products and also in terms of quality. We would keep upgrading our product portfolio to meet this every changing dynamic, to further improve the quality of our products and our introducing technology-oriented products and to add new products to our portfolio. For instance, we are testing Grouting couplers a product used in precast concrete structure for mechanical splicing of joints Saves cost and time in construction. Further, these grouting couplers can be customised to meet our customer specifications. We believe that an expanded product portfolio will assist us in developing long-term relationships with our customers.

Our Company intends to focus on adhering to the quality standards of the products and services. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product and services is very important for the company from both customer and regulatory point of view. Providing the desired and quality products help us in enhancing our reputation and maintaining long term relationships with customers. We conduct quality testing from IIT, Kanpur as well as we have started with international testing of our products.

## **CHANGE IN NATURE OF BUSINESS**

There has been no change in nature of the Business during the year under review.

## **DIVIDEND**

With a view to conserve the resources for expansion of the business activities and working capital requirements of the Company, the board of directors of the Company have not recommended any dividend for the year under review (Previous Year: Nil). There is no unclaimed/unpaid Dividend within the meaning of the provisions of Section 125 of the Companies Act, 2013.

There is no unclaimed/unpaid Dividend within the meaning of the provisions of Section 125 of the Companies Act, 2013.

## **DEPOSITS**

The Company has not accepted deposits from the public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

## **MAJOR EVENT OCCURRED DURING THE YEAR INCLUDING CHANGES IN SHARE CAPITAL**

During the year following major events occurred:

### **Acquisition of M/s Kosmo Ventures, a proprietorship of Mrs. Bindi Kunal Mehta**

The Company acquired the running business of M/s Kosmo Ventures, proprietorship Concern of Mrs. Bindi Mehta on January 31, 2023 against the allotment of 51,890 equity shares at issued price of Rs. 168.11/- per share. Further, with the acquisition of M/s. Kosmo Ventures we have also ventured into supply of Steel Products thus diversifying our products offerings which helps our Company in cross selling and up-selling of products within our existing customer.

### **Issue of Bonus Shares**

During the year the Company has issued and allotted 17,28,360 equity shares as the Bonus shares in the ration of 15 Equity Shares for every 1 Equity Share held in our Company.

### **Change of Name and Object**

During the year the name of the company has been changed to Vruddhi Engineering Works Limited from Vruddhi Steel Limited. Further the Company has also changed its main object by addition of new clause as a diversification plans of the Company.

## **INITIAL PUBLIC OFFER (IPO)**

During the year, your Company has debuted in the capital market by making an “Initial Public Offer of 6,80,000” Equity Shares to the public at large via Prospectus. The Issue was opened for subscription on March 26, 2024 and closed on March 28, 2024 and subsequently, the shares of the Company has been listed on the BSE SME Platform dated April 03, 2024. Further, the Directors placed on record their appreciation of contributions made by the entire IPO team with all the dedication, diligence and commitment which led to successful listing of the Company’s equity shares on the BSE SME platform. Further, the success of the IPO reflects the trust and faith reposed in Your Company by the Investors, customers and business partners and your directors thank them for their confidence in Your Company.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Particulars of loans, guarantees or investments pursuant to Section 186 of the Companies Act, 2013 are provided in the notes to the financial statements.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have subsidiary company, joint venture or associate companies during the year.

There is no company, which has ceased to be Company’s subsidiary, joint venture or associate company during the year. The Company does not require to prepare consolidated financial statements.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The composition of the Board of Directors and Key Managerial Personnel underwent changes set out below:

### **During the year under review:**

- The Designation of Mrs. Varsha Mukesh Mehta was changed to Director from additional director and later on re-designated as the Whole-time Director of the Company.
- The Designation of Mr. Karan Manoj Doshi, Ms. Shivani Kumari Joshi and Mrs. Ankita Rohan Kothari were changed to Director from Additional Director.
- Mrs. Kishori Jaysingh Sodha was appointed as the Company Secretary and Compliance officer of the Company w.e.f. July 01, 2023.

### **Subsequent changes in composition till the date of this Report:**

- Mrs. Hiral Rushang Gandhi was resigned from the post of CFO of the Company w.e.f. August 28, 2024.
- Mrs. Yogita Ramesh Kadam was appointed as the CFO of the Company w.e.f. August 28, 2024.
- Mr. Vedant Mukesh Mehta, Whole-time Director, being longest in office, retires by rotation and being eligible, offers himself for reappointment.

## **STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013 read with the schedules, rules made thereunder and Regulation 16(1) (b) and Regulation 17 of the Listing Regulations. The Board has assessed the veracity of the same to their satisfaction. The Board of Directors have satisfied themselves about the integrity, expertise and experience (including the proficiency) of the independent directors of the Company.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Nomination and remuneration policy for the Directors, Key Managerial Personnel and Senior Management Personnel as per Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time is available on the website of the Company i.e. [www.vruddhicouplers.com](http://www.vruddhicouplers.com) under investor section.

## **PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES**

Disclosures required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1) is not applicable to the Company during the Financial Year under review. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under, Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company.

## **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, the Board of Directors of the Company duly met 14 (Fourteen) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings are given in the report on Corporate Governance which forms part of the Annual Report.

## **COMMITTEES OF THE BOARD**

The Company has the following 3 (Three) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Stakeholders Relationship Committee

## **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a). which took into account factors like 'compliances with the provisions of the applicable act(s), rules, regulations' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria like 'adequacy of composition, execution and performance of specific duties, obligations and governance, quorum,

compliance with procedures applicable for the conduct of meetings, and review of the recommendations and decisions of the committees. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on various parameters like attendance, level of their engagement, contribution, independency of judgment, contribution in safeguarding the interest of the Company and other relevant factors.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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 at the end of the financial year and of the profit and loss of the company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis;
- They 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
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **AUDITORS AND THEIR REPORTS**

### **Statutory Auditor**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Maheshwari & Co., Chartered Accountants (FRN: 105834W), is appointed as the Statutory Auditor of the Company at the Annual General Meeting held on September 30, 2023, to conduct statutory audit till the conclusion of Annual General Meeting of the Company to be held in 2028.

The Auditor's Report for the financial year ended 31st March, 2024 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **Secretarial Auditor**

M/s. Krushang Shah & Associates, Practicing Company Secretaries, is appointed as the Secretarial Auditors, to conduct the audit of secretarial records of the Company for the financial year ended on March 31, 2024 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is annexed to this Report as Annexure-1.

The Auditor's Report for the financial year ended 31st March, 2024 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and its devices and adopts improved controls wherever necessary.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except described below, there has been no material changes and commitments, that affect the financial position of the Company from the end of the financial year of the Company to which the financial statements relate till the date of the directors' report.

During the Year under review, your Company has decided to debut in the capital market by making Initial Public Offer of 6,80,000 (Six Lakhs Eighty Thousand) Equity Shares at Issue Price of Rs. 70/- per share (which includes Face Value of Rs.10/- and premium of Rs.60/-) which was opened for subscription on March 26, 2024 and closed on March 28, 2024.

Accordingly, your Company by passing a Board Resolution dated April 01, 2024 has made an allotment of the above-mentioned equity shares as subscribed through Initial Public Offer and listed on BSE SME Platform dated April 03, 2024.

## **RISK MANAGEMENT**

The Board of your Company has adopted Risk Management plan to create and protect shareholders value by identifying and mitigating major operating, and external business risk. Currently the board is responsible for reviewing the risk management plan and ensuring its effectiveness. The Company recognizes that the emerging and identified risks need to be managed and mitigated to (a) protect its shareholders and other stakeholders' interest; (b) achieve its business objectives; and (c) enable sustainable growth.

The details of various risks that are being faced by the Company are provided in Management Discussion and Analysis Report, which forms part of this Report.

## **ANNUAL RETURN OF THE COMPANY**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2024 is available on the Company's website i.e. [www.vruddhicouplers.com](http://www.vruddhicouplers.com) under investor section.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 2" to this report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appears at “Annexure 3” to this report.

## **CORPORATE GOVERNANCE REPORT**

The provisions mentioned in para C, D and E of Schedule V are not applicable to our Company. However, the Company has voluntarily attached report on “Corporate Governance” except a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors’ report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appears separately in the Annual Report.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed(s) to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported. The said policy is available on the Company’s Website i.e. [www.vruddhicouplers.com](http://www.vruddhicouplers.com) under investor section.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company did not require to constitute Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.



## GENERAL

Your directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or the inapplicability of the provisions:

- Reporting of fraud(s) by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- The Company has not transferred an amount to capital reserve during the year.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in the utilisation of money raised by public issue.
- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
- Performance and Financial position of the Subsidiary Companies /Joint Venture/ Associate company.
- The company has not bought back any of its securities/ not issued any sweat equity shares / not provided any Stock Option Scheme to its employees / not issued any equity shares with differential rights.
- Details of policy developed and implemented on corporate social responsibility.
- Receipt of any commission from the Company or remuneration from any of its subsidiary by the Managing Director or the Whole time Directors of the Company as per section 197(14).
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financials years.
- Significant or material orders passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

## **ACKNOWLEDGMENT**

Your directors place on records their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors of  
Vruddhi Engineering Works Limited**

**Bindi Kunal Mehta  
(DIN- 08936998)  
Chairperson & Managing Director**

**Date- September 07, 2024  
Place- Mumbai**

**Form No. MR- 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules,**  
**2014]**

To,  
The Members  
**Vruddhi Engineering Works Limited**  
(Previously known as Vruddhi Steel Limited)  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vruddhi Engineering Works Limited (hereinafter called the "Company"). 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 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2024 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of 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; (Not applicable during the period under review)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015; (*Not applicable during the period under review*)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (*Not applicable during the period under review*)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*Not applicable during the period under review*)
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; (*Not applicable during the period under review*)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*Not applicable during the period under review*)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable during the period under review)* and
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. *(Not applicable during the period under review)*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days and/or on shorter notice after receipt of confirmation from all the Directors in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that 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.

Except, Acquisition of M/s Kosmo Ventures (a proprietary concern of Mrs. Bindi Mehta), Issue and allotment of Bonus shares, Change in Name and Object change and Initial public offering of its equity shares, we report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Ahmedabad**  
**Date: 07.09.2024**

**For, Krushang Shah & Associates**

**Krushang Shah**  
**Company Secretary in practice**  
**ACS No.: 42187**  
**C P No.: 26085**  
**PRC : 3653/2023**  
**UDIN: A042187F001167839**

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

To,  
The Members  
**Vruddhi Engineering Works Limited**  
(Previously known as Vruddhi Steel Limited)  
Mumbai

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
6. 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.

**Place: Ahmedabad**  
**Date: 07.09.2024**

**For, Krushang Shah & Associates**

**Krushang Shah**  
**Company Secretary in practice**  
**ACS No.: 42187**  
**C P No.: 26085**  
**PRC : 3653/2023**  
**UDIN: A042187F001167839**

**FORM NO. AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/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 arms length transactions under third proviso thereto.

(FY 2023-24)

<b>I</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis:</b>	
a	Name(s) of the related party and nature of relationship:	NA
b	Nature of contracts/arrangements/transactions:	NA
c	Duration of the contracts/arrangements/transactions:	NA
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
e	Justification for entering into such contracts or arrangements or transactions:	NA
f	Date(s) of approval by the Board, if any:	NA
g	Amount paid as advances, if any:	NA
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NA

<b>II</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis:</b>	
A	Name(s) of the related party and nature of relationship:	Bindi Kunal Mehta
b	Nature of contracts/arrangements/transactions:	Unsecure Loan
c	Duration of the contracts/arrangements/transactions:	On-going
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	Loan Repaid: Rs. 11.76/- Lakhs
e	Date(s) of approval by the Board, if any:	11.04.2023
f	Amount paid as advances, if any:	NA
A	Name(s) of the related party and nature of relationship:	Vedant Mukesh Mehta
b	Nature of contracts/arrangements/transactions:	Unsecure Loan
c	Duration of the contracts/arrangements/transactions:	On-going

d	Salient terms of the contracts or arrangements or transactions including the value, if any:	Loan Received: Rs. 4.09/- Lakhs  Loan Repaid: Rs. 11.76/- Lakhs
e	Date(s) of approval by the Board, if any:	11.04.2023
f	Amount paid as advances, if any:	NA

**For and on behalf of the Board of Directors of  
Vruddhi Engineering Works Limited**

**Bindi Kunal Mehta  
(DIN- 08936998)  
Chairperson & Managing Director**

**Date- September 07, 2024  
Place- Mumbai**

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

**a) CONSERVATION OF ENERGY:**

<b>Particular</b>	<b>Remark</b>
Steps taken or impact on conservation of energy	<p>The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption.</p> <p>Regulation in usage of office lighting.</p> <p>All efforts are made to use more natural lights in the premises to optimise the consumption of energy.</p>
Steps taken by the Company for utilizing alternate sources of energy	The Company evaluates all possibilities of utilizing alternate sources of energy in its operations, wherever possible.
Capital investment on energy conservation equipment	During the year, the company has not made any capital investment on energy conservation equipment.

**b) TECHNOLOGY ABSORPTION**

<b>Particular</b>	<b>Remark</b>
Efforts made towards technology absorption	Nil
Benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
In case of imported technology (imported during the last three years reckoned from beginning of the financial year)	Not Applicable
Details of technology imported	
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	



**Expenditure incurred on Research and Development:**

**Foreign Exchange Earnings: Nil**  
**Foreign Exchange Outgo: Rs. Nil**

**For and on behalf of the Board of Directors of  
Vruddhi Engineering Works Limited**

**Bindi Kunal Mehta**  
**(DIN- 08936998)**  
**Chairperson & Managing Director**

**Date- September 07, 2024**  
**Place- Mumbai**

## CORPORATE GOVERNANCE REPORT

**Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”)**

### INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other stakeholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2023-24.

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Your Company has voluntarily complied with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR). This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

The corporate governance structure formed by the Company includes principles, processes and systems to help the Company to take informed decision making and performance-based management and it also supports establishment of culture of integrity and fairness in all transactions. The Company also periodically disclosed compliance with these principles and processes in the transparent manner. The Board of Directors of the Company (“the Board”) also supervises the management activities to ensure the effectiveness of the corporate governance which promotes the Board that functions independently and without any influence.

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors:

Your company's Board comprises of Six Directors as on March 31, 2024 comprising Three Executive Director and Three Independent Non-Executive Directors. The Chairperson is executive in nature. The Company does not have any Nominee Director.

During the Financial Year under review, total 14 (Fourteen) meetings of the Board were held on April 11, 2023, April 13, 2023, April 20, 2023, April 24, 2023, April 28, 2023, May 10, 2023, June 07, 2023, July 01, 2023, July 10, 2023, July 29, 2023, October 16, 2023, January 05, 2024, February 23, 2024 and March 16, 2024. The Company has observed the Corporate Governance provisions of the Act and also of the Listing Regulations for conducting the Board Meetings during the Financial Year under review.

The Board Meetings held during the financial year 2023-24, presence of the directors thereat and Membership / Chairpersonship of the directors in the Committees and no. of directorships in other companies excluding Private Companies and our company are stated below:

Name of Directors	Category of Directorship	No. of other Director Ships*	Committee (1)Membership/ (2) Chairpersonship Companies @	No. of Board Meetings attended	Attendance at the last AGM Yes/ No/ NA	No. of shares Held
Mrs. Bindi Kunal Mehta	Managing Director, Promoter-Executive	0	2/0	14	Yes	17,76,168
Mr. Vedant Mukesh Mehta	Whole-time Director, Promoter-Executive	0	1/0	14	Yes	5,000
Mrs. Varsha Mukesh Mehta	Whole-time Director, Promoter-Executive	0	0/0	14	Yes	10,144
Mr. Karan Manoj Doshi	Independent Non-Executive	0	2/1	14	Yes	0
Ms. Shivani Kumari Joshi	Independent	1	1/0	10	Yes	0
Mrs. Ankita Rohan Kothari	Non-Executive	0	1/1	14	Yes	0

\* These numbers exclude the directorship/committee membership held in the company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and alternate directorship.

@ The Committee (Audit and Stakeholders' Relationship Committee only) Memberships and Chairpersonship in Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

All Directors have informed the Company about the committee positions they occupy in other companies as per the Listing Regulation, which were placed before the Board.

Except Mr. Bindi Mehta, Mr. Vedant Mehta and Mrs. Varsha Mehta who are related to each other, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

None of the Non-executive Directors holds equity shares or convertible instruments in the Company.

During the year under review, no independent Directors are ceased to be Independent Directors in the Company.

During the financial year, the Independent Directors of the Company met on March 16, 2024 without the presence of non-independent directors or management personnel to review the performance of Non-Independent Directors, the Board and its Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions of appointment of Independent Directors are incorporated on the website of the Company i.e. [www.vruddhicouplers.com](http://www.vruddhicouplers.com) under investor section.

## DIRECTORSHIP IN LISTED COMPANIES OTHER THAN OUR COMPANY

Name of Director	Category & Designation	Name of Listed Company
Mrs. Bindi Kunal Mehta	Nil	NA
Mr. Vedant Mukesh Mehta	Nil	NA
Mrs. Varsha Mukesh Mehta	Nil	NA
Mr. Karan Manoj Doshi	Nil	NA
Ms. Shivani Kumari Joshi	Non-executive Independent Director	Danube Industries Limited
Mrs. Ankita Rohan Kothari	Nil	NA

### b) Board Procedures:

The Board of Directors meets regularly to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairperson/ Managing Director briefs the Directors at every Board Meeting, overall performance of the company.

All major decisions/ approvals are taken at the meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc.

### c) Core skills, expertise and competencies identified by the Board of Directors as required in context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- i) Knowledge – The Board of Directors understand the Company’s business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
- ii) Behavioral Skills – The Board of Directors have attributes and competencies to use their knowledge and skills, to function well as team members and to interact with key stakeholders.
- iii) Strategic thinking and decision making – The Board of Directors have strategic thinking and decision making skills in guiding and leading management teams to make decisions in uncertain environments.
- iv) Financial Skills- The Board of directors has eminent business leaders with deep knowledge of finance and business.
- v) Technical/Professional skills and specialized knowledge – The Board of Director’s possess technical/professional skills and specialized knowledge to assist the ongoing aspects of the business.

A matrix setting out the skills/expertise/competencies of the Individual Directors is given below:

Sr. No	Area of skill / expertise	Board of Directors as on 31 <sup>st</sup> March, 2024					
		Mrs. Bindi Mehta	Mr. Vedant Mehta	Mrs. Varsha Mehta	Ms. Shivani Joshi	Mrs. Ankita Kothari	Mr. Karan Doshi
1	Knowledge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Behavioral Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Strategic thinking and decision making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Financial Skills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

5	<b>Technical/Professional skills and specialized knowledge</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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**d) Independent Director:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (“Act”) and Regulation 16(1)(b) of the Listing Regulations.

In terms of Regulation 25(8) of Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that the Independent Directors meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

**e) Familiarization Program for Independent Directors:**

The Familiarization Program for the Independent Directors of the Company has been adopted by the Board pursuant to the Regulation 25(7) of the Listing Regulations. The aim of the Familiarization Program is to enable the Independent Directors to perceive the business of the Company and give them opportunity to contribute significantly to the Company by providing the insights into the affairs of the Company.

A letter of appointment is provided at the time of appointment of an Independent Director, which, inter alia, shall explain the role, functions, duties and responsibilities expected of him as a Director of the Company. Further, the Company conducts an introductory familiarization program, which inter alia includes roles, rights and responsibilities and also strategies, operations and functions of the Company. The Management of the Company frequently conduct programs and give presentations to familiarize the Independent Directors on the vision and mission of the Company, its operations, administration and management, business plans, strategies, technologies and also future outlook of the entire industry, on an ongoing basis and such programs and presentations are made regularly to the Board / Independent Directors. In accordance to Regulation 46 of the Listing Regulations, the details of the familiarization programs extended to the Independent Directors are also disclosed on the website of the Company i.e. [www.vruddhicouplers.com](http://www.vruddhicouplers.com) under investor section.

The information required to be given for the Directors seeking appointment/ reappointment, if any, at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

**3. COMMITTEE OF THE BOARD:**

The Board of the Company has constituted the following Committees and each Committee has its own terms of reference:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee;

**i. Audit Committee**

The composition and terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. The composition of Committee is given in this Report.

**Terms of Reference of the Committee inter alia include the following:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors any significant findings and follow up there on.
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
22. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
24. Carrying out any other function as is mentioned in terms of reference of the Committee.
25. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
26. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
27. To investigate any other matters referred to by the Board of Directors;
28. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or containing into SEBI Listing Regulations 2015.

Further the Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations:
  - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **Composition, meetings and attendance:**

During the year, the Board of Directors has constituted audit Committee. Further, during the year under review total 4 (four) meetings of the Audit Committee were held on July 10, 2023, October 16, 2023, January 05, 2024 and February 23, 2024. The attendance of the Members of the Audit Committee is as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Status</b>	<b>No. of Meeting held</b>	<b>No. of Meeting attended</b>
Mrs. Ankita Rohan kothari	Independent Director	Chairperson	4	4
Mr. Karan Manoj Doshi	Independent Director	Member	4	4
Mrs. Bindi Kunal Mehta	Managing Director	Member	4	4

Committee invites such of the executives, particularly the head of the Finance Function, representatives of the Statutory Auditors and any such other executives, as it considers appropriate, to be present at the meetings.

All Committee Members are financially literate and have accounting and financial management expertise.

The Audit Committee Chairperson was present in previous Annual General Meeting.

#### **ii. Nomination and Remuneration Committee:**

The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The composition of Committee is given in this Report. Terms of reference of the Committee inter alia includes the following:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;



3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a. uses the services of an external agencies, if required;
- b. considers candidates from a wide range of backgrounds, having due regard to diversity; and
- c. considers the time commitments of the candidates.

4. Formulation of criteria for evaluation of independent directors and the Board;

5. Devising a policy on Board diversity; and

6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors

7. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;

8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

9. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

10. Decide the amount of Commission payable to the Whole Time Directors;

- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

a) recommend to the board, all remuneration, in whatever form, payable to senior management.

### Composition, Meetings and Attendance:

As on Financial Year end, the Nomination and Remuneration Committee of the Board consists of 3 (Three) Directors as Members viz. Mrs. Ankita Rohan Kothari, Mrs. Shivani Kumari Joshi and Mr. Karan Manoj Doshi. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year, the Board of Directors has constituted the Committee. Further during the year under review total 2 (Two) meeting of the Nomination and Remuneration Committee was held on June 07, 2023 and July 01, 2023. The attendance of the Members of the Nomination and Remuneration Committee is as under:

Name of the Director	Category	Status	No. of Meeting held	No. of Meeting attended
Mrs. Ankita Rohan Kothari	Independent Director	Chairperson	2	2
Mr. Karan Manoj Doshi	Independent Director	Member	2	2
Ms. Shivani Kumari Joshi	Independent Director	Member	2	2

The Nomination and Remuneration Committee Chairperson was present in previous Annual General Meeting.

## **Nomination and Remuneration Policy:**

In terms of the provisions of Section 178(4) of the Act and Listing Regulations, the Board of the Company has, on recommendation of NRC, framed and adopted a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Company has formulated and adopted the Policy with an aim to create an effective performance work culture in the Company which enables it to attract, retain and motivate the employees to achieve the targets of the Company.

The remuneration is paid by the Company by way of salary, benefits, perquisites, allowances and commission to the Directors. The Committee decides annual increments within the stipulated pay scale and the commission payable out of the profits for the financial year within the ceilings prescribed under the Act based on the performance of the Directors and further based on the performance of the Company.

During the financial year under review, the Company has paid sitting fees to its Independent Directors for attending meetings of the Board as mentioned in this Report. The Company has not paid any commission to the Independent / non-executive Directors.

### **Applicability of the policy:**

- a) Directors (Executive, Non-Executive and Independent)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other employees as may be decided by the Nomination and Remuneration Committee

Further in accordance to the Nomination and Remuneration Policy adopted by the Company, the evaluation of the Board, its Committees and Individual Directors will be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, as applicable, in following manner:

### **A. Evaluation of performance and Independence Review Procedures:**

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis and shall carry out the performance evaluation in terms of the process determined. The Committee may also authorise the Board or appoint an independent external agency for carrying out the performance evaluation in terms of the process determined and shall further review its implementation and compliance. The Committee shall also review its own performance on an annual basis.

1. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

## **B. Evaluation of performance of executive directors and determination of remuneration:**

The Committee shall evaluate the performance of the managing director(s)/whole time director(s) by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director(s) or whole time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

## **C. Evaluation Criteria for the Independent Directors:**

1. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

During the Financial Year under review, in terms of the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its committees and individual Directors and the findings were shared with them as well as the Chairperson of the Company. A structured questionnaire was prepared covering the various criteria of competencies and the responses were evaluated by the Nomination and Remuneration Committee as well as by the Board. The results reflected high satisfactory performance of Board and Committee Members.

Further, the Board has carried out an annual performance evaluation of its Independent Directors. Evaluation of Independent Directors was based on defined parameters which include level of engagement and participation in business decisions, functional knowledge and skill-set, awareness of the risk profile of the industry, quality of feedback and suggestions, etc.

The Independent Directors have also evaluated the performance of the Chairperson and other non-independent Directors. The evaluation of the performance was on the basis of the criteria like culture and dynamics of the Board, quality of Board Members, key responsibilities of the Board Members, contribution of the Board Members, effectiveness of the process and functioning of the Board / its committees.

### **iii. Stakeholders Relationship Committee:**

The composition and terms of reference of the Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations. The composition of Committee is given in this Report. The Committee looks into redressing the stakeholders' grievances / complaints.

Compliance Officer: Mrs. Kishori Jaysingh Sodha, the Company Secretary of the Company during FY 2023-24, is designated as a Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

The Company has a designated E-mail ID i.e. cs@vrudhnicouplers.com for the redressal of complaints / grievances of the stakeholders which is also displayed on the website of the Company.

#### **Composition, meetings and attendance:**

Stakeholders Relationship Committee of the Board consists of 3 (Three) members viz. Mr. Karan Manoj Doshi, as the Chairperson of the Committee and Mrs. Bindi Kunal Mehta and Mr. Vedant Mukesh Mehta as the Members of the Committee.

During the year under review total 1 (One) meeting of the Stakeholders Relationship Committee were held on July 10, 2023.

The attendance of the Members of the Stakeholders Relationship Committee is as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Status</b>	<b>No. of Meeting held</b>	<b>No. of Meeting attended</b>
Mr. Karan Manoj Doshi	Independent Director, Non-executive Director	Chairperson	1	1
Mrs. Bindi Kunal Mehta	Managing Director, executive Director	Member	1	1
Mr. Vedant Mukesh Mehta	Whole-time Director, Executive Director	Member	1	1

The number of the complaints / grievances received and resolved to the satisfaction of the stakeholders during the Financial Year under review is as under:

<b>Sr. No.</b>	<b>Investor Complaints</b>	<b>Complaints</b>
1.	Pending at the beginning of the year (As on 01.04.2023)	Nil
2.	Received during the Year from 01.04.2023 to 31.03.2024	Nil
3.	Disposed of during the Year from 01.04.2023 to 31.03.2024	Nil
4.	Unresolved at the end of the Year (As on 31.03.2024)	Nil

Terms of Reference of the Committee is as described below:

1. Redressal of shareholders' and investors' complaints, including and in respect of:
  - a) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - b) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - c) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
2. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
3. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

4. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
6. Allotment and listing of shares;
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
12. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

#### 4. REMUNERATION OF DIRECTORS

##### Remuneration to Executive Directors:

Nomination and Remuneration Committee shall, inter-alia, evaluate the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board had approved the remuneration payable to the executive Directors within the ceiling fixed by the shareholders as per the respective resolutions passed at the AGMs.

Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2024 are given below:

(Amount in Lakhs)

Name of the Directors	Salary (Rs)	Commission	Perquisites & Allowances	Sitting Fee	Total Remuneration
Mrs. Bindi Mehta	3.39	0	10.16	0	13.55
Mrs. Varsha Mehta	3.16	0	9.47	0	12.63
Mr. Vedant Mehta	3.63	0	10.90	0	14.53

##### Stock Option:

The Company has no stock option scheme relating to its shares for its directors or employees and no severance fees are paid to any Director of the Company during the financial year under review.

##### Remuneration to the Non-Executive Directors:

The remuneration, commission if payable to the Non-Executive / Independent Directors, shall be in accordance with the provisions of the Act for the time being in force and as may be recommended by the Nomination and Remuneration Committee and approved by the Board and further by the members of the Company.

The Company has no pecuniary relationship or transactions with its Non-executive vis-à-vis the Company other than payment of sitting fees, if any, for attending Board meetings. Except Ms. Shivani Joshi (Rs. 0.30 Lakhs), None of the other Non-Executive Directors was paid fees during the financial year 2023-24.

## 5. INDEPENDENT DIRECTORS MEETING

With reference to the Schedule IV of the Companies Act, 2013, one meeting of the Independent Directors was held on March 16, 2024. All the Independent Directors have attended the meeting. At the meeting, the Independent Directors reviewed the performance of the non-independent directors and the Board as whole and assessed the quality, quantity and timeliness of flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Familiarization programme for Independent Directors:

Independent Directors at the time of their appointment are given the formal appointment letter mentioning various terms and conditions of their engagement. Independent Directors of the company are made aware of their role, duties, rights and responsibilities at the time of their appointment.

The Board of Directors have complete access to the information within the company and to interact with senior management personnel. Independent Directors have freedom to interact with the management of the company.

The Familiarization programme has been conducted during the year under review and different aspects such as legal compliance management, corporate governance and role of independent directors has been covered in the same.

## 6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue	Special Business including special resolutions passed
2022-23	30.09.2023	11.00 a.m.	Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West, Mumbai MH 400056 IN	-
2021-22	29.09.2022	11.30 a.m.	Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West, Mumbai MH 400056 IN	-
2020-21	29.11.2021	11.30 a.m.	Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West, Mumbai MH 400056 IN	-

During the Financial Year under review, no resolution has been passed through the exercise of postal ballot.

## 7. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has adopted a Vigil Mechanism & Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Act and the Listing Regulations. The policy entitles its stakeholders, directors, employees and their representative bodies to report their genuine concerns about illegal or unethical practices or violations of laws, rules, regulations or unethical conduct to the Supervisor or to the Management. Through this mechanism and Policy, the stakeholders, directors, employees and their representative bodies will be able to raise genuine concerns or grievances or violation or potential violations, free of any fear of retaliation or victimization. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern and no person has been denied access to the Audit Committee. On a yearly basis, the Audit Committee review the concerns raised, if any, under the policy and track them for closure as per the policy.

During the financial year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

## 8. DISCLOSURES:

### a) Related Party Transactions:

In line with the provisions of the Act and under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

During the Financial Year under review, there were no material related party transactions. All related party transactions are placed before the Audit Committee and also the Board for review and approval; and the interested Directors neither participate in the discussions, nor did they vote on such matters, when such matters came up for approval. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements. The Board of the Company has approved a Related Party Transactions Policy which has been uploaded on the Company's website [cs@vruddhicouplers.com](mailto:cs@vruddhicouplers.com).

### b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:- NA

### c) Compliance with the Mandatory Requirements and adoption of Discretionary Requirements of the Listing Regulations:

The Company will comply with the mandatory requirements as applicable under the Listing Regulations.

### d) Subsidiary companies:

The Company does not have subsidiary Company, there fore the Company has not adopted policy for the same.

### e) Commodity price risk / Foreign Exchange risk / Hedging Activities: Not Applicable

### f) Recommendation of Audit Committee

The Board of Directors of the Company has accepted all the recommendations of the Audit Committee.

**g) Fees paid to Statutory Auditors**

The Company's current Statutory Auditors are M/s. Maheshwari & Co. During the year ended on March 31, 2024, the Company has paid Rs. 2.50/- lakhs as Auditor Remuneration.

**h) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the Financial Year 2023-24:**

Particulars	Numbers
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**i) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil**

**j) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: None**

**k) Website**

The Company ensures dissemination of applicable information under Regulation 46 of the Listing Regulations on the Company's website [cs@vruddhicouplers.com](mailto:cs@vruddhicouplers.com)

The section on 'Investor Relations' on the website serves to inform the members by giving complete financial details, annual reports, shareholding patterns and such other statutory details.

**l) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable**

During the year, your Company has debuted in the capital market by making an "Initial Public Offer of 6,80,000" Equity Shares to the public at large via Prospectus. The Issue was opened for subscription on March 26, 2024 and closed on March 28, 2024 and subsequently, the shares of the Company has been listed on the BSE SME Platform dated April 03, 2024.

**m) Code of Conduct:**

The Board has laid down the Code of Conduct for all Board of Directors and Senior Management of the Company. The said Code is also placed on the website of the Company. The Certificate from the Managing Director affirming compliance of the said Code by all the Board of Directors and Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

**n) Material, financial and commercial transactions:**

No material, financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year under review. Senior Management of the Company has made disclosures under Regulation 26(5) of the Listing Regulations to the Board confirming that there is no material, financial and/ or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.



**o) To monitor, regulate and report trading in shares by insiders:**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated a “Code of Conduct for Prevention of Insider Trading” and “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” for regulating, monitoring and reporting of trading in shares of the Company by the Promoters, Designated Persons, Key Managerial Personnel, Directors, Employees, Connected Persons and Insiders of the Company. The said codes are in accordance with the said Regulations and are also available on the website of the Company.

**p) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report: Not Applicable**

**q) Unclaimed shares lying in demat suspense account:**

The balance in the demat suspense account or unclaimed suspense account is nil.

**7. MEANS OF COMMUNICATIONS:**

- a) During the year ended on March 31, 2024, the Company has not required to publish its Financial Result.
- b) During the year ended on March 31, 2024, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) During the year ended on March 31, 2024, no official news was released by the Company and if the Company release in future the same will be available on website of the Company and the stock exchange.
- d) Management Discussion and Analysis form part of the Annual Report.

**8. SHAREHOLDERS' INFORMATION:**

A	<b>Registered Office</b>	1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069	
B	<b>Annual General Meeting</b>	Day	Monday
		Date	30th September, 2024
		Time	11.00 a.m.
		Venue	1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069
C	<b>Financial Year</b>	Financial Year of the Company is for a period of twelve (12) months from 1st April to 31st March	
D	<b>Tentative Financial Calendar</b>	<b>Half Yearly Unaudited Result</b>	
		Half Year Ending 30 <sup>th</sup> September, 2024	Second Week of November, 2024 (tentative)

		<b>Annual Audited Result</b>	
		Year ending 31 <sup>st</sup> March, 2025	Last Week of May, 2025 (tentative)
F	<b>Registrar and Share Transfer Agents</b>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India <b>Tel No:</b> +91 022 6263 8200 <b>Fax No:</b> +91 22 6263 8299 <b>E-mail Id:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com	
G	<b>ISIN</b>	INE00MZ01013	
H	<b>Dividend Payment Date</b>	Not Applicable as the Company has not declared any Dividend.	
I	<b>Stock Exchange Code</b>	<b>Stock Exchange</b>	<b>Code</b>
		BSE Limited	544157
J	<b>Whether securities are suspended from trading</b>	NA	

K) **Stock Price Data:** The shares of the Company were not listed on any stock exchange during the year.

#### L) Share Transfer System:

Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

#### M) Dematerialization of shares and liquidity:

As on 31<sup>st</sup> March, 2024, all equity shares including promoter and promoter group were held in dematerialized form.

#### N) Distribution of Shareholding as on 31<sup>st</sup> March, 2024:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
1 to 1000	0	0	0	0
1001 to 2000	1	14.29	1600	0.09
2001 to 3000	0	0	0	0
3001 to 4000	0	0	0	0
4001 to 5000	1	14.29	5000	0.27
5001 to 10000	0	0	0	0
10001 to above	5	71.42	1836984	99.64
<b>Grand Total</b>	<b>7</b>	<b>100</b>	<b>1843584</b>	<b>100</b>

**O) Category of Shareholders as on March 31, 2024:**

<b>Category</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
Promoters including Promoter Company	1818256	98.63
Financial Institutions/ Banks	0	0.00
Mutual Fund	0	0.00
Bodies Corporate	0	0.00
NRIs	0	0.00
Foreign National	0	0.00
Other (Clearing Member)	0	0.00
Other (Firm)	0	0.00
Public	25328	1.37
Hindu Undivided Family (HUF)	0	0
Trust	0	0.00
<b>Total</b>	<b>1843584</b>	<b>100</b>

**P) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:** The Company has not issued any GDRs/ADRs.

**Q) Credit Rating:** During the year under review no credit rating was required by the Company.

## **9. CODE OF CONDUCT**

The Company has an approved Code of Conduct applicable to Directors and Senior Management personnel. A certificate of affirmation in this regard forms part of this Report.

## **10. RELATED PARTY TRANSACTIONS**

Transactions with related parties are disclosed in detail in Note to Accounts annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

## **11. CEO / CFO CERTIFICATION**

The Chairperson/Managing Director and CFO have issued certificate pursuant to the provisions of under Regulation 17(8) of the (LODR) Reg, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## **12. INCOME TAX PAN MANDATORY FOR TRANSFER OF SECURITIES:**

As per Regulation 40(7) read with Schedule VII of the Listing Regulations, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed

entity for registration of transfer of securities.

### 13. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

BIGSHARE SERVICES PRIVATE LIMITED  
S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri  
(East) Mumbai – 400093, Maharashtra, India  
Tel No: +91 022 6263 8200  
Fax No: +91 22 6263 8299  
E-mail Id: ipo@bigshareonline.com  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

**Registered Office** : 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri  
East, Mumbai, Mumbai, Maharashtra, India, 400069  
**Telephone Nos.** : +91 022 26128918  
**Compliance Officer** : CS Kishori Jaysingh Sodha

**For and on behalf of the Board of Directors of  
Vruddhi Engineering Works Limited**

**Bindi Kunal Mehta**  
**(DIN- 08936998)**  
**Chairperson & Managing Director**

**Date- September 07, 2024**  
**Place- Mumbai**

### **DECLARATION STATING THE COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:**

(In terms of Regulations 26(3) and 34(3) read with Schedule V of the Listing Regulations)

This is to confirm that the Company has adopted a Code of Conduct of Board of Directors and Senior Management, which is available on the Company's website.

I confirm that the Company has in respect of the Financial Year ended 31<sup>st</sup> March, 2024, received from the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct of Board of Directors and Senior Management as applicable to them.

**For and on behalf of the Board of Directors of  
Vruddhi Engineering Works Limited**

**Bindi Kunal Mehta**  
**(DIN- 08936998)**  
**Chairperson & Managing Director**

**Date- September 07, 2024**  
**Place- Mumbai**

## CHIEF FINANCIAL OFFICER CERTIFICATE

**[As per Regulation 17 and Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].**

**I certify that:**

A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Hiral Rushang Gandhi**

**Chief Financial Officer**

**Date: August 28, 2024**

**Place: Mumbai**

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

Our Company was incorporated in Mumbai, Maharashtra as “Vruddhi Steel Private Limited”, a private limited company under the Companies Act, 2013, vide certificate of incorporation dated October 27, 2020 issued by the Assistant Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 26, 2022, and consequently, the name of our Company was changed to “Vruddhi Steel Limited”, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated January 05, 2023, was issued by the RoC to our Company. Later on, January 31, 2023, the running business of the proprietorship concern of our Promoter namely “M/s. Kosmo Ventures” was taken-over by the Company, along with the assets and liabilities of the proprietorship concern as going concern. Further, the name of our Company was changed to “Vruddhi Engineering Works Limited” pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 29, 2023 and a fresh certificate of incorporation dated June 20, 2023 was issued by the Registrar of Companies, Mumbai.

Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares. Our Company believes that it offers an end-to-end mechanical splicing solutions ranging from design, manufacturing, testing, logistics and rebar threading. We believe that the rebar couplers offered by our Company is an alternative to the conventional splicing methods followed in the construction industry.

As our Company primarily caters to the construction industry, our Company with an objective to expand its product offerings acquired the running business of the proprietorship concern of our Promoter namely, “M/s. Kosmo Ventures”, along with the assets and liabilities of the proprietorship concern as going concern. Kosmo Ventures was engaged in the business of trading of reinforcement bars (TMT bars) and machinery. The acquisition was completed on January 31, 2023 and since then, our Company has expanded into the business of trading of reinforcement bars (TMT bars) and machinery as a trader and service provider. Our Company design and engineer the rebar couplers as per the customers requirement and is manufactured by a third-party manufacturer.

Our Promoter is engaged with the construction industry for over 5 years. In a short span of time, we believe that our Promoter has established herself as a trusted and reliable source for supply of Steel Products amongst our suppliers. We believe that our approach of timely supply of materials, quality control, logistics, inventory management, credit and delivery at cost effective prices to the customers has helped our Company to build strong relationship with our customers.

Our Company offers on-site threading service to our customers of the couplers. Our skilled and experienced workforce shall take care of all the hassles associated with on-site machine installation and rebar threading.

### INDUSTRY OVERVIEW

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the

growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term.

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US\$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

In order to meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

## **EXECUTIVE SUMMARY**

- In India, the real estate sector is the second-highest employment generator, after the agriculture sector.
- Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP.
- Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 542.7 million by 2025 and 675.5 million by 2035.
- Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 55.50 billion from April 2000-December 2022.
- Government of India's 'Housing for All' initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025.
- India's Global Real Estate Transparency Index ranking improved by three notches from 39 to 36

since the past eight years from 2014 until 2022 on the back of regulatory reforms, better market data and green initiatives, according to property consultant JLL.

- Home sales across top eight cities in India surged 68% YoY to reach ~308,940 units in 2022, signifying a healthy recovery in the sector.
- The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.
- High budgetary allocation for Infrastructure:
  - In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP.
  - Infrastructure Finance Secretariat is established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure.
- Increasing Private Sector involvement:
  - The Indian government has introduced various formats in order to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors.
  - Private Equity-Venture Capital firms invested US\$ 46 billion (across 1,261 deals) in Indian companies in 2022.
- Rising Foreign Direct Investment (FDI) in the sector
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.23 billion and US\$ 28.95 billion, respectively, between April 2000- September 2022.

## **POLICY SUPPORT**

- The Government has allowed FDI of up to 100% for townships and settlements development projects.
- Under the 'Housing for All' scheme, 20 million houses are to be built by 2022, GST rate is brought down to 5%.
- In the Union Budget 2023-24, the Finance Ministry has announced a commitment of ₹ 79,000 crore (US\$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.
- Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹ 10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.
- Under Budget 2023-24, Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

## **GOVERNMENT INITIATIVES**

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- In the Union Budget 2023-24, the Finance Ministry has announced a commitment of ₹ 79,000 crore (US\$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.
- In October 2021, the RBI announced to keep benchmark interest rate unchanged at 4%, giving a major



boost to the real estate sector in the country. The low home loan interest rates regime is expected to drive the housing demand and increase sales by 35-40% in the festive season in 2021.

- Under Union Budget 2021-22, tax deduction up to ₹ 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.

- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to ₹ 2 crore (US\$ 271,450.60) from November 12, 2020 to June 30, 2021).

- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of ₹ 25,000 crore (US\$ 3.58 billion) alternative investment fund (AIF).

- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of ₹ 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

- As of December 31, 2022, India formally approved 425 SEZs, and as of January, 2023, 270 SEZs are operational. Most special economic zones (SEZs) are in the IT/ BPM sector.

- Under Budget 2023-24:

- Capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.

- Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

- The Government has decided to continue the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs 1.3 lakh crore (US\$ 16 billion).

- A capital outlay of Rs 2.40 lakh crore (US\$ 29 billion) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013- 14.

- 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of ₹ 75,000 crore (US\$ 9 billion), including ₹15,000 crore (US\$ 1.8 billion) from private sources.

- 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.

- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.

- States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF.

- For realizing the vision of “Make A-I in India and Make A-I work for India”, three centers of excellence for Artificial Intelligence will be set-up in top educational institutions.

- The Digital Public infrastructure for agriculture will be built as an open source, open standard and inter operable public good that will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for growth of agri-tech industry and start-ups.

- 157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.

- National Digital Library for Children and Adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide

infrastructure for accessing the National Digital Library resources.

➤ Skill India International Centres to be set up across different States to skill youth for international opportunities.

## **OPPORTUNITIES, THREATS, CONCERN AND OUTLOOK**

### **OUR COMPETITIVE STRENGTHS**

#### **Diversified customer base**

We have a well-diversified domestic customer base, wherein we supply standard as well as custom based products. This reduces the intensity of any significant single customer's contribution in our revenues. Our top ten customers contribute 95.28%, 75.75%, 85.22% and 100% of our revenue from operations for the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We have relationships with some of our customer since inception.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

#### **Diversified and Established Product**

Our Company design, engineer and supply rebar couplers that finds its application in real estate, construction and infrastructure industry and is used in the construction of residential and commercial buildings, steel structures, roads, etc. With a wide variety of product categories, our product finds in application across real estate, construction and infrastructure industry as one of the key products.

#### **Quality Assurance**

We believe that we manufacture our product using the best raw material, i.e. carbon steel meeting the strict technical specification and governing standards of an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified Company issued by Quality Control Certification accredited by "UASL, England, UK". We conduct quality tests at every stage of manufacturing process of our third party manufacturer and the desired chemical compositions are maintained right through the process. After manufacturing, the products are also carefully inspected and evaluated on various parameters. For every batch of raw materials (unique Heat number), testing is conducted in third party NABL accredited Lab and one sample is tested for physical properties (UTS and Elongation) and one sample is tested for chemical composition in each batch. In case of finished products, once the Unique Identification number (UIN) has been marked on the coupler, one sample from each UIN lot is tested for chemical composition.

### **OUR BUSINESS STRATEGIES**

#### **Increase our market share**

In the domestic market we presently have presence in Pune, Dhule, Surat, Mangalore, Hyderabad, Kolkata, Bangalore market with majority of our business coming from Mumbai. We intend to increase our market share in domestic by focusing on cross selling of products and by introducing new products and introduce our products in the international markets. We believe that focus on export sales will enable us to improve our margins. We further believe that there exist significant opportunities to cross-sell our products and offer the same product to additional locations of our existing customers with the help of our established capabilities and manufacturing, sales and distribution infrastructure. We have multiple such customers wherein we service their different projects, across locations.

We have identified overseas markets where we would like sell our products and we would be starting our marketing activities in such select market. Considering that our products, rebar couplers are critical inputs in construction process we would be subject to stringent quality requirements and our products will be tested on various parameters.

### **Focus on Advanced Products**

We intend to leverage our design and engineering capabilities to increase our focus on advanced products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. We believe that the construction industry is evolving rapidly both in terms of products and also in terms of quality. We would keep upgrading our product portfolio to meet this every changing dynamic, to further improve the quality of our products and our introducing technology-oriented products and to add new products to our portfolio. For instance, we are testing Grouting couplers a product used in precast concrete structure for mechanical splicing of joints Saves cost and time in construction. Further, these grouting couplers can be customised to meet our customer specifications. We believe that an expanded product portfolio will assist us in developing long-term relationships with our customers. Focus on consistently meeting quality standards Our Company intends to focus on adhering to the quality standards of the products and services. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product and services is very important for the company from both customer and regulatory point of view. Providing the desired and quality products help us in enhancing our reputation and maintaining long term relationships with customers. We conduct quality testing from IIT, Kanpur as well as we have started with international testing of our products.

### **COMPETITION**

We face competition from domestic manufacturers. Competition emerges from small as well as big players in the mechanical splicing industry and from traders and dealers in the Steel Products industry. Further, we also face competition from manufacturers of steel products who have direct access to our customers. We believe that our experience in this business and quality assurance will be key to overcome competition posed by organized and unorganized players. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, the relative quality, credit terms and price of the products Our continued success depends on our ability to compete effectively against our existing and future competitors.

### **INTERNAL CONTROL FRAMEWORK**

Your Company conducts its business with integrity and high standards of ethical behaviour, and in compliance with the laws and regulations that govern its business. Your Company has a established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including self-assessment exercises. The Company time to time seek evaluating the adequacy of all internal controls and ensuring that operating and business units adhere to internal processes and procedures as well as to regulatory and legal requirements.

### **PEOPLE AND PRACTICES:**

The Board of Directors continues to challenge the management and push for higher targets. The Board's well-rounded experience in industry. The Board continues to provide long term direction to the Company and engages actively towards initiatives inputs on the Company's long-term vision.

The Company recognizes the importance and contribution of its human resources for its growth and development and values their talent, integrity and dedication. With the focus to develop leadership talent from within, the Company conduct various programmes. Employee motivation is key to organization success. On these lines, the Company conducts its various social programs and motivate them.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has achieved a total income of Rs. 2217.41/- Lakhs during the year under review as against Rs. 1309.62/- Lakhs in the previous financial year. The net profit after tax of the Company for the year under review is Rs. 57.29/- Lakhs as compared to profit of Rs. 75.34/- Lakhs for the previous year. The net profit before tax for the year under review is Rs. 79.59/- lakhs as compared to profit of Rs. 101.45/- Lakhs for the previous year.

## FINANCIAL RATIOS

Particulars	As at 31-3-2024	As at 31-3-2023	% Variance	Reason for variance of more than 25%
Current ratio (in times)	1.15	1.26	(8.57)	-
Debt equity ratio (in times)	1.08	9.12	(88.19)	Due to Increase in share capital
Debt service coverage ratio (in times)	3.24	5.61	(42.33)	Due to decrease in profit after tax
Return on equity ratio (%) (ROE)	0.24	0.68	(64.96)	Due to Increase in average equity
Trade receivables turnover ratio (in number of days)	3.87	4.53	(14.56)	-
Net capital turnover ratio (in times)	17.14	17.29	(0.87)	-
Net profit ratio	0.03	0.06	(54.43)	Due to Increase in revenue from operation
Return on capital employed (%) (ROCE)	0.14	0.45	(68.34)	Due to Increase in Net worth

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report containing the objectives, expectations or predictions of the company may be forward-looking within the meaning of securities laws and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volumes a selling prices of finished goods, input availability and cost, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of VRUDDHI ENGINEERING WORKS LIMITED**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Vruddhi Engineering Works Limited (CIN-U28246MH2020PLC348853)** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Statement of Cash Flows for the year ended and notes to the Financial Statements, including a material accounting policies and other explanatory information (herein referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 its Profit and cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Emphasis of Matter**

We draw attention to Note No. 9 & Note No. 15 to the accompanying financial results, which describe that Balance in the account of Trade Receivable and Trade Payable are subject to confirmation/reconciliation. If any, the management does not expect any material adjustments in respect of the same effecting the Financial Statement on such reconciliation/adjustment.

Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

related disclosures made by management.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The Balance Sheet, the Statement of Profit and (Loss) and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The reservation relating to the Maintenance of accounts and other matters connected there with are as stated in the paragraph 2(A) (b) above on reporting under section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules ,2014.
  - g) In our opinion, the provisions of Section 143(3)(i) with regard to opinion on internal financial controls with reference to financial statements and operating effectiveness of such controls is not applicable to the company.
- B. 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 does not have any pending litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any; and
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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;

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not paid, proposed or declared any dividend during the year and until the date of report; Hence, Compliance in accordance with section 123 of the Act is not applicable
- vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2024, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Maheshwari & Co.  
Chartered Accountants  
Firm's Registration No. 105834W**

**Vikas Asawa  
(Partner)  
Membership No. 172133  
UDIN: 24172133BKAKWZ6297**

**Place: Mumbai  
Date: May 30, 2024**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

### (Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  

(B) The Company does not hold any intangible assets during the year.
- b) The Company has a program of physical verification of property, plant and equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us, there is no immovable property disclosed as Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the Standalone financial statements of the Company. Hence reporting under clause (i)(c) of paragraph 3 of the Order is not applicable to the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder,
- ii. a) According to information and explanations given to us, the has not been in Inventory during the year. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments provided guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year.
  - (a) According to the information and explanations given to us by the Management, the Company has not provided loans to other parties and not given any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us and based on the audit procedures conducted by us we are of the opinion that, the investments is not made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Company's interest.

- (c) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
  - (d) According to the information and explanations given to us and basis of our examination of the record of the Company, there is no overdue amount for more than ninety days in respect of loans given.
  - (e) According to the information and explanations given to us and basis of our examination of the record of the Company there is no loan or advance granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
  - (f) According to the information and explanations given to us and basis of our examination of the record of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to information and explanations given to us and on the basis of our examination of the records, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
  - v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder during the year. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
  - vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the requirements under paragraph 3(vi) of the order are not applicable to the Company.
  - vii. a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. No amount is pending as on the last day of the financial year for a year of more than six months from the date they became payable.  
b) According to the information and explanations given to us, there are no dues of goods and service tax, sales tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited on account of any dispute with the relevant authorities.
  - viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
  - ix. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not taken any term loan during the year.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act). and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- x. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies 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 up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year, if any (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 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 financial statements etc. as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations given to us and our audit procedure, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) Internal Audit is not applicable to the company for the year under audit. Accordingly, the provisions of clause 3(xiv) (b) of the Order are not applicable to the Company.

- 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 with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the company during the year. Accordingly, clause 3(xviii) of the Order is applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The requirements under clause 3 (xxi) of the order are not applicable in respect of audit Financial Statements accordingly no comment in respect of the said clause has been included in the report

**For Maheshwari & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 105834W**

**Vikas Asawa**  
**(Partner)**  
**Membership No. 172133**  
**UDIN: 24172133BKAKWZ6297s**

**Place: Mumbai**  
**Date: May 30, 2024**

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**  
**BALANCE SHEET AS ON MARCH 31, 2024**

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	3	184.36	6.33
(b) Share application money pending allotment		-	87.23
(c) Reserves and Surplus	4	84.63	118.55
<b>Total Equity</b>		<b>268.99</b>	<b>212.12</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	42.72	53.14
(b) Long-Term Provision	6	3.99	3.07
(c) Defered Tax Liability	7	2.93	1.58
<b>Total Non Current Liabilities</b>		<b>49.64</b>	<b>57.79</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	246.89	270.23
(b) Trade payables	9		
(i) Total Outstanding dues of Micro enterprises and small Enterprises		-	-
(ii) Total Outstanding dues of Other than micro enterprises and small Enterprises		294.48	192.33
(c) Short-term provisions	10	42.66	42.26
(d) Other Current Liabilities	11	245.84	7.61
<b>Total Current Liabilities</b>		<b>829.87</b>	<b>512.43</b>
<b>Total</b>		<b>1,148.49</b>	<b>782.33</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property Plant and Equipements	12	194.00	137.30
(b) Non Current Investments	13	1.30	1.30
<b>Total Non Current Assets</b>		<b>195.30</b>	<b>138.60</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	72.74	43.34
(b) Trade receivables	15	599.39	528.44
(c) Cash and cash equivalents	16	16.50	37.62
(d) Short-term loans and advances	17	37.60	33.33
(e) Other Current Assets	18	226.95	0.99148
<b>Total Current Assets</b>		<b>953.19</b>	<b>643.73</b>
<b>Total</b>		<b>1,148.49</b>	<b>782.33</b>

**The accompanying notes form an integral part of the financial statements**

**As per our Report of even date.**

**For Maheshwari & Co.**  
**Chartered Accountants**

Firm Registration No. 105834W

For and on behalf of the Board of Directors of  
VRUDDHI ENGINEERING WORKS LIMITED

**Vikas Asawa**  
Partner  
Membership No.172133

**Bindi Kunal Mehta**  
Mananging Director  
DIN: 08936998

**Vedant Mukesh Mehta**  
Director  
DIN: 08936999

**Hiral Rushang Gandhi**  
Chief financial officer  
Pan No. JCSPS5825L

**Kishori Jaysingh Sodha**  
Company Secretary  
Membership No.ACS 41799

Place: Mumbai  
Date: 30 May 2024

Place: Mumbai  
Date: 30 May 2024

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**  
**STATEMENTS OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2024**

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue:</b>			
Revenue from operations	19	2,182.09	1,307.69
Other Income	20	35.32	1.93
<b>Total Revenue</b>		<b>2,217.41</b>	<b>1,309.62</b>
<b>Expenses:</b>			
Purchase of stock in Trade	21	1,506.73	972.64
Changes in Inventories of Traded Goods	22	(29.40)	(39.41)
Employee benefit expenses	23	190.41	121.25
Financial costs	24	40.81	14.04
Depreciation and amortization expense	25	40.64	21.51
Other expenses	26	388.64	118.15
<b>Total Expenses</b>		<b>2,137.82</b>	<b>1,208.17</b>
<b>Profit before Tax</b>		<b>79.59</b>	<b>101.45</b>
<b>Tax expense:</b>			
Current tax		20.95	24.97
Deferred tax		1.35	1.14
<b>Profit/Loss after tax</b>		<b>57.29</b>	<b>75.34</b>
<b>Earning per equity share:</b>			
Equity Shares of par value of Rs.10 Each			
Basic & Diluted (Before bonus)	27	90.46	242.66
Basic & Diluted (After bonus)		3.11	15.17

**The accompanying notes form an integral part of the financial statements**

**As per our report of even date**

**For Maheshwari & Co.**

**Chartered Accountants**

Firm Registration No. 105834W

For and on behalf of the Board of Directors of  
VRUDDHI ENGINEERING WORKS LIMITED

**Vikas Asawa**

Partner

Membership No.172133

**Bindi Kunal Mehta**

Managing Director

DIN: 08936998

**Vedant Mukesh Mehta**

Director

DIN: 08936999

**Hiral Rushang Gandhi**

Chief financial officer

Pan No. JCSPS5825L

**Kishori Jaysingh Sodha**

Company Secretary

Membership No.ACS 41799

Place: Mumbai

Date: 30 May 2024

Place: Mumbai

Date: 30 May 2024

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**  
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2024**

Sr. No.	Particulars		For Year Ended March 31, 2024	For Year Ended March 31, 2023
A	<b><u>Cash Flow From Operating Activities</u></b>			
	Net Profit / (Loss) Before Taxes		79.59	101.45
	<b>ADD:</b>			
	Depreciation		40.64	21.51
	Interest Paid		30.44	14.04
	Provision for bad debt		7.66	
	Short term provision		-	16.98
	Prior period rectification		-	2.63
	<b>Operating Cash Flows Before Working Capital Adjustments</b>		<b>158.33</b>	<b>156.60</b>
	<b>ADJUSTMENT FOR :</b>			
	(Increase) / Decrease In Inventory		(29.40)	(39.41)
	(Increase) / Decrease In Trade Receivables		(78.61)	(479.39)
	(Increase) / Decrease In Loans & Advances		0.77	(27.34)
	(Increase) / Decrease In Other Current Assets		(225.96)	(0.99)
Increase/(decrease) in Trade payables		102.15	177.30	
Increase/(decrease) in Other Current Liabilities		238.19	5.71	
<b>Cash generated/(used) in operations</b>		<b>7.13</b>	<b>(364.12)</b>	
Income taxes paid		(25.04)	(24.97)	
<b>Net Cash Generated From Operating Activities</b>	<b>A</b>	<b>140.42</b>	<b>(232.49)</b>	
B	<b><u>Cash Flow From Investing Activities</u></b>			
	Purchase Of Fixed Assets		(97.33)	(127.73)
	Investment in Kosmo Ventures		-	(1.30)
	Share application Money held		-	87.23
<b>Net Cash Generated (Used) In Investing Activities</b>	<b>B</b>	<b>(97.33)</b>	<b>(41.80)</b>	
C	<b><u>Cash Flow From Financing Activities</u></b>			
	Proceeds/( Repayment) From Short Term Borrowings (net)		(23.34)	263.35
	Proceeds/( Repayment) From Long Term Borrowings (net)		(10.42)	12.53
	Interest Paid		(30.44)	(14.04)
	Issue of Shares with securities Premium			40.00
	<b>Net Cash Generated /(Used) in Financing Activities</b>	<b>C</b>	<b>(64.20)</b>	<b>301.84</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(21.12)</b>	<b>27.56</b>	
	Cash & Cash Equivalents At The Beginning Of The Year		37.62	10.07
	<b>Cash And Cash Equivalents At The End Of The Year</b>		<b>(16.50)</b>	<b>(37.62)</b>
			<b>(21.12)</b>	<b>27.55</b>

The accompanying my notes form an integral part of the financial statements

As per our Report of even date.

For Maheshwari & Co.

Chartered Accountants  
Firm Registration No. 105834W

**Vikas Asawa**  
Partner  
Membership No.172133

For and on behalf of the Board of Directors of  
VRUDDHI ENGINEERING WORKS LIMITED

**Bindi Kunal mehta**                      **Vedant Mukesh Mehta**  
Managing Director                      Director  
DIN: 08936998                              DIN: 08936999

**Hiral Rushang Gandhi**                      **Kishori Jaysingh Sodha**  
Chief financial officer                      Company Secretary  
Pan No. JCS5825L                              Membership No.ACS 41799

Place : Mumbai  
Date: 30 May 2024

Place: Mumbai  
Date: 30 May 2024



**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**Notes To Financial Statement**

**Note:**

**1 SIGNIFICANT ACCOUNTING POLICIES:**

**Company Overview**

VRUDDHI ENGINEERING WORKS LIMITED was incorporated on October 27, 2020. Formerly, known as VRUDDHI STEEL LIMITED which was Changed Form VRUDDHI STEEL LIMITED to VRUDDHI ENGINEERING WORKS LIMITED. The company has registered Office Loacted at 1317, Solaris One, N.S. Phadke Road, Near Flyover bridge, Andheri (E), Mumbai-400053. Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares.

**2 Basis of Preparation of Financial Statements:**

(a) The Financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.

(b) The Financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.

(c) The preparation of the Financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**2.1 a) Use of Estimates:**

The preparation of the Financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

**b) Going Concern:**

Accordingly, these financial statements have been prepared on a going concern basis i.e. the assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business.

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
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**Notes To Financial Statement**

**c) Current-Non-Current classification**

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current."

**VRUDDHI ENGINEERING WORKS LIMITED**  
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**Notes To Financial Statement**

**d) Property, Plant and Equipment and Intangible**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per useful life specified in Schedule II of the Companies Act, 2013.

**(e) Foreign Exchanges**

Foreign Currency Transaction are recorded at the Exchange rate prevailing on the date of transaction. Gains and (Loss) arising out of subsequent fluctuation are accounted for an actual payment or realization Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences other than those relating to acquisition of fixed assets from a country outside India are recognized in the Profit and Loss Account, Exchange differences relating to acquisition of fixed assets from a country outside India are adjusted to carrying cost of fixed assets.

**f) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

**VRUDDHI ENGINEERING WORKS LIMITED**  
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**Notes To Financial Statement**

**g) Revenue Recognition:**

Revenue/income are recognised generally when goods & services are supplied to customers and are recorded inclusive of Goods and service Tax

**h) Investments:**

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investment. Investments that are readily realizable and are expected to be realized within twelve months after the reporting date are classified as "Current investments". All other investments are classified as "Non-current investments".

**i) Provision for Current and Deferred Tax:**

Current Tax: Provisions for Current Tax is made at the current rate of tax after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax: Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

**j) Provision, Contingent Liabilities and Commitments:**

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Assets are recognized when realisation of income is virtually certain.

**k) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**l) Inventories:**

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Semi Finished goods Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary resources of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realisable Value.

**2.2 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**Note 3 : Share Capital**

Sr No	Particular	As at 31st March 2024	As at 31st March 2023
1	<b>AUTHORISED</b> 30,00,000 Equity shares of Rs 10 each ( Previous year: 3,00,000 Equity shares of Rs 10 each )	300.00	30.00
2	<b>ISSUED , PAID UP :</b> 18,43,584 Equity shares of Rs 10 each fully paid up(Previous Year : 63,334 Equity Shares of Rs. 10 each.)	184.36	6.33
	<b>Total</b>	<b>184.36</b>	<b>6.33</b>

**Note 3(A) : Reconciliation of no. of Shares outstanding:**

Sr No	Particular	As at 31st March 2024		As at 31st March 2023	
		Number	(Rs. In lakhs)	Number	(Rs. In lakhs)
1	Shares outstanding at the beginning of the year	63,334	6.33	10,000	1.00
2	Shares Issued during the year	17,80,250	178.03	53,334	5.33
3	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	<b>18,43,584</b>	<b>184.36</b>	<b>63,334</b>	<b>6.33</b>

**Note 3(B)** - Rights, Preferences & Restrictions of each class of shares  
Ordinary Equity Shares have equal voting rights and dividend entitlement, as laid down under the Companies Act, 2013.

**Note 3(C)** - The company does not have any holding company.

**Note 3(D) - Details of shareholders holding of more than 5% shares:**

Sr No	Particular	As at 31st March 2024		As at 31st March 2023	
		% of Holding	No. of Shares held	% of Holding	No. of Shares held
1	Bindi Kunal Mehta	96.3%	17,76,168	7.6%	4,800
	<b>TOTAL NOMINAL VALUE QTY</b>	<b>96.61%</b>	<b>17,81,168</b>	<b>93.84%</b>	<b>59,433</b>

**Note 3(E)** - Shares were allotted as fully paid up by way of Bonus shares as on 21 April 2023.

**Note 3(F) - Shareholding of Promoters**

Shares held by promoters at the end		As at 31st March 2024		As at 31st March 2023	
Sr No.	Promoter's name	% of Holding	No. of Shares	% of Holding	No. of Shares
1	Bindi Kunal Mehta	96.34%	17,76,168	7.58%	4,800
2	Vedant Mukesh Mehta	0.27%	5,000	86.26%	54,633
	<b>Total</b>	<b>96.61%</b>	<b>17,81,168</b>	<b>93.84%</b>	<b>59,433</b>

**Details of Shares hold by promoters :**

**Shareholding of Promoters as on March, 31 2024 :**

Sr No.	Promoter name	No of Shares	% of Total Shares	% Change during the Year
1	Bindi Kunal Mehta	17,76,168	96.34%	88.76%
2	Vedant Mukesh Mehta	5,000	0.27%	85.99%

**Shareholding of Promoters as on March, 31 2023 :**

Sr No.	Promoter name	No of Shares	% of Total Shares	% Change during the Year
1	Bindi Kunal Mehta	4,800	7.60%	55.42%
2	Vedant Mukesh Mehta	54,633	86.30%	49.26%

**Note 3(G) - Share Application Money Pending Allotment**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Opening Balance	87.23	-
2	Additions during the year	-	87.23
3	Utilized	(87.23)	-
4	<b>Closing Balance</b>	<b>-</b>	<b>87.23</b>

**Note 4(a) : Reserves and Surplus**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Opening Balance	83.89	8.56
2	Profit & loss for the year	57.29	75.33
3	Utilized	(56.13)	-
	Prior Period Adjustment	(0.43)	-
4	<b>Closing Balance</b>	<b>84.63</b>	<b>83.89</b>

**VRUDDHI ENGINEERING WORKS LIMITED**  
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**Notes To Financial Statement**  
**Note 4(b) : Securities Premium**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Opening Balance	34.67	-
2	Additions during the year	82.04	34.67
3	Utilized	(0.00)	-
4	<b>Closing Balance</b>	<b>116.71</b>	<b>34.67</b>

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Note: Retained Earnings Reserve**

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**Note : Bonus Issue**

A bonus share was issued on April 21, 2023, in the ratio of 1:15 in the number of shares held by shareholders whose names appear on the register of members of the company as of the record date at face value of 10 each.

**Note : Authorised Capital & Preferential Allotment**

Company has increased authorised capital from Rs. 100,000/- (Rupees One Lakhs only) divided into 10,000 (Ten Thousand) Equity shares of Rs. 10/- each to Rs. 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs) Equity shares of Rs. 10/- each vide resolution dated 20th April, 2023.

**Note 5 : Details of Long Term Borrowings as**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Secured Borrowings</b>		
Term Loan from Bank	51.43	39.80
Less: Current Maturities	(12.72)	(9.22)
<b>Unsecured Borrowings</b>		
Loan from Related Parties	4.00	22.56
	-	-
<b>Total</b>	<b>42.72</b>	<b>53.14</b>

**Note 5.1: Term Loan from Banks**

**A) Secured by way of:**

**Primary Security**

Sr No.	Bank Name	Security
1	ICICI Bank	Rs. 6.94 Lakhs - Tempo Loan
2	ICICI Bank	Rs. 16.97 Lakhs - Car Loan
3	ICICI Bank	Rs. 8.91 Lakhs - Tempo Loan
4	ICICI Bank	Rs. 9.00 Lakhs - Tempo Loan
5	ICICI Bank	Rs. 4.10 Lakhs - Tempo Loan
6	Canara Bank	Rs. 11.18 Lakhs - Term Loan

**B) Details of Terms of Repayment**

Sr No.	Bank Name	Sanction Amount (In lakhs)	No. of Installments	Terms of Repayment	First Installment Date
1	ICICI Bank	6.94	60 Month	E-Payment	15.03.2022
2	ICICI Bank	16.97	60 Month	E-Payment	05.07.2022
3	ICICI Bank	8.91	60 Month	E-Payment	15.05.2022
4	ICICI Bank	9.00	48 Month	E-Payment	15.11.2022
5	ICICI Bank	4.10	36 Month	E-Payment	07.01.2023
6	Canara Bank	11.18	60 Month	E-Payment	10.02.2023

**Note 6 : Long Term Provisions**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Gratuity Payable	3.99	3.07
	<b>Total</b>	<b>3.99</b>	<b>3.07</b>

**Note 7 : Deferred Tax Liability**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Deferred Tax	2.93	1.58
	<b>Total</b>	<b>2.93</b>	<b>1.58</b>

**Note 8 : Short Term Borrowings**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Canara Bank Loan A/c	38.58	11.18
2	Bank CC Account (Refer Note 8A)	195.59	249.83
3	Current Maturities of Long term borrowings	12.72	9.22
	<b>Total</b>	<b>246.89</b>	<b>270.23</b>

**VRUDDHI ENGINEERING WORKS LIMITED**  
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**Notes To Financial Statement**  
**Note 8A : Details of Short Term Borrowings**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Secured</b>		
Loan from Banks		
- Cash Credit from Bank	195.59	249.83
- Term Loan	38.58	11.18
<b>Total</b>	<b>234.17</b>	<b>261.01</b>

**Note 8.1: Details of Security for Cash Credit from Bank**

Cash Credit from Canara Bank is secured by hypothecation of over entire current assets (including receivables) of the company, present & future and personnel guarantee of directors.

**Note 8.2:**

Statements of Current Assets have been regularly filed with the bank on monthly basis for Cash Credit from Bank.

**Note 8.3: The following is the summary of the differences between Current Assets declared with the Bank and as per Books**

Particulars	Quarter	Amount as per Books	Amount reported in Quarterly return	Amount of difference	Reasons
Canara Bank	Qtr 1	64.59	72.49	(7.90)	On Provisional Basis
Canara Bank	Qtr 2	76.00	92.92	(16.92)	On Provisional Basis
Canara Bank	Qtr 3	97.68	99.76	(2.08)	On Provisional Basis
Canara Bank	Qtr 4	72.74	91.90	(19.16)	On Provisional Basis

**Note 9 : Trade Payables (Refer Note 9A and 9B)**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Total outstanding dues of micro enterprises and small enterprises	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	294.48	192.33
	<b>Total</b>	<b>294.48</b>	<b>192.33</b>

**Note 9A:**

The company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and hence disclosures regarding the following have not been made:

- Amount due and outstanding to MSME suppliers as at the end of the accounting period / year.
- Interest paid during the period / year to MSME.
- Interest payable at the end of the accounting period / year to MSME.
- Interest accrued and unpaid at the end of the accounting period / year to MSME.

Management believes that the figures for disclosures, if any, will not be significant.

**Note 9B: Trade Payables ageing schedule**

Trade Payable Ageing Schedule as on March 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	-	192.33	-	-	-	192.33
3	Disputed dues - MSME	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	-	<b>192.33</b>	-	-	-	<b>192.33</b>

**Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006**

Refer note 9A above

Sr No.	Note 9B : Disclosure of MSME Trade Payables	As at 31st March 2024	As at 31st March 2023
1	Principal amount due to suppliers remaining unpaid as at year/period end	-	-
2	Interest due to suppliers remaining unpaid as at year/period end	-	-
3	Interest paid, under Section 16 of MSMED Act,2006 on account of delayed payment	-	-
4	Amount of the payment made to the supplier beyond the appointed day as specified by MSMED Act, 2006 during the year/period	-	-
5	Interest due and payable towards payment made to suppliers beyond the appointed date during the year/period	-	-
6	The amount of interest accrued & remaining unpaid at the end of the year/period	-	-
7	The amount of Interest payable for previous year and remaining unpaid the end of the year/period	-	-
	<b>Total</b>	-	-

**Note 10 : Short Term Provisions**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Provision for Expenses	42.66	31.83
2	Provision for Taxation(Net)	-	10.42
	<b>Total</b>	<b>42.66</b>	<b>42.26</b>

**Note 11 : Other Current Liabilities**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Statutory Dues (Including payables for TDS and GST)	233.64	7.61
2	Retention Money	3.48	-
3	Advances from customers	8.65	-
4	Others	0.07	-
	<b>Total</b>	<b>245.84</b>	<b>7.61</b>

**Note 13 : Non Current Investment**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Investment in unlisted shares	1.30	1.30
	Total	1.30	1.30

**Note 14 : Inventories**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Trading Goods	72.74	43.34
	Total	72.74	43.34

**Note 15 : Trade Receivables**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	(Unsecured, considered good) Trade Receivables	607.05	528.44
	Less:- Provision For Bad Debts	(7.66)	-
	Total	599.39	528.44

**Trade Receivable Ageing Schedule as on March 31, 2024**

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	
(i)	Undisputed Trade receivables - considered good	-	569.73	21.13	16.19	-	607.05
(ii)	Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	Total	-	569.73	21.13	16.19	-	607.05

**Trade Receivable Ageing Schedule as on March 31, 2023**

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	
(i)	Undisputed Trade receivables - considered good	-	525.03	1.29	2.13	-	528.44
(ii)	Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	Total	-	525.03	1.29	2.13	-	528.44

**Note 16 : Cash and Cash Equivalents**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Cash in Hand	12.22	31.79
2	Bank Balances in Current Accounts	4.28	5.82
	Total	16.50	37.62

**Note 17 : Short Term Loans and Advances**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Advance Tax	5.04	-
2	Deposits	26.87	4.46
3	Short Term Advances	1.34	5.44
4	Advance to Suppliers	4.36	23.43
	Total	37.60	33.33

**Note 18 : Other Current Assets**

Sr No.	Particular	As at 31st March 2024	As at 31st March 2023
1	Balance with Govt Authorities	226.95	0.99
	Total	226.95	0.99



**VRUDDHI ENGINEERING WORKS LIMITED**  
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**Notes To Financial Statement**

**Note 19 : Revenue From Operations :**

Sr No.	Particular	Year ended 31st March 2024	Year ended 31st March 2023
1	Sale of Products	2,154.16	-
2	Sale of services	27.93	1,307.69
	<b>Total</b>	<b>2,182.09</b>	<b>1307.69</b>

**Note 20 : Other Income:**

Sr No.	Particular	Year ended 31st March 2024	Year ended 31st March 2023
1	Discount Received	0.05	0.99
2	Dividend	-	0.02
3	Foreign Exchange Gain	0.00	0.92
4	Interest received	34.09	-
5	Written Back	1.18	-
	<b>Total</b>	<b>35.32</b>	<b>1.93</b>

**Note 21 : Purchases of Stock in Trade**

Sr No.	Particular	Year ended 31st March 2024	Year ended 31st March 2023
1	Purchases of Trading Goods	1,506.73	972.64
	<b>Total</b>	<b>1,506.73</b>	<b>972.64</b>

**Note 22 : Change in Inventories**

Sr No.	Particular	Year ended 31st March 2024	Year ended 31st March 2023
1	Stock In Trade Opening	43.34	3.93
2	Less : Stock In trade Closing	(72.74)	43.34
	<b>Change in Inventories</b>	<b>(29.40)</b>	<b>(39.41)</b>

**Note 23 : Employees Benefit Cost**

Sr No.	Particular	Year ended 31st March 2024	Year ended 31st March 2023
1	Salaries and Wages	117.88	112.80
2	Director Remuneration	61.20	3.59
3	Gratuity expense	0.49	2.63
4	Staff welfare	10.84	2.23
	<b>Total</b>	<b>190.41</b>	<b>121.25</b>

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**  
**Notes To Financial Statement**  
**Note 24 : Financial Cost**

<b>Sr No.</b>	<b>Particular</b>	<b>Year ended 31st March 2024</b>	<b>Year ended 31st March 2023</b>
1	Interest & Finance charges	39.63	14.04
2	IPO Charges	1.18	
	<b>Total</b>	<b>40.81</b>	<b>14.04</b>

**Note 25: Depreciation & Amortization**

<b>Sr No.</b>	<b>Particular</b>	<b>Year ended 31st March 2024</b>	<b>Year ended 31st March 2023</b>
1	Depreciation & Amortization	40.64	21.51
	<b>Total</b>	<b>40.64</b>	<b>21.51</b>

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**

**Notes To Financial Statement**

**Note 26 : Other Expenses**

<b>Sr No.</b>	<b>Particular</b>	<b>Year ended 31st March 2024</b>	<b>Year ended 31st March 2023</b>
1	Commission	36.09	36.47
2	Rent Expenses	15.02	9.83
3	Sundry & Office Expenditures	4.32	9.36
4	Testing Charges	4.69	9.30
5	Professional Fees	13.21	8.53
6	Travelling Expenses	22.54	6.83
7	Frieght Charges	15.45	2.56
8	Vehicle Expenses	7.50	5.94
9	Transportation Charges	6.26	5.90
10	Custom Duty on Import	6.26	3.97
11	Freight on import	0.01	6.29
12	Business Promotions Expenses	52.68	2.13
13	Website Development Charges	3.62	0.15
14	CFS & Clearing & Forwarding charges	3.39	1.53
15	Machine Maintenance Exp	-	1.27
16	Discount	-	1.23
17	Loading and Unloading Charges	2.82	1.16
18	Insurance Expenses	2.52	0.66
19	Donation	0.27	0.60
20	Agency Charges	-	0.49
21	Audit Fees	2.50	1.30
22	Electricity Charges	1.32	0.21
23	Labour contractor and material charges	85.96	-
24	Tools & spare parts and Packing charges	58.84	-
25	Provision for doubtful debts	7.66	-
26	Rate and Taxes	-	0.01
27	Miscellaneous Expenses	14.28	2.42
28	Sundry Balance Woff	0.01	-
29	Printing and stationery	2.78	-
30	Repairs and maintainance	2.63	-
31	Toll charges	0.32	-
32	Notary and registration charges	1.25	-
33	Godown	0.29	-
34	Food	1.69	-
35	Fine and Penalty Expenses A/c	3.20	-
36	Certificate Renewal Charges	0.76	-
37	Telephone expenses	0.45	-
38	Postage and courier	0.57	-
39	Software charges	0.22	-
40	ROC Charges	0.19	-
41	Conveyance	4.86	-
42	Stamp duty charges	1.45	-
43	Short/Excess- Income Tax	0.77	-
	<b>Total</b>	<b>388.64</b>	<b>118.15</b>

**VRUDDHI ENGINEERING WORKS LIMITED**  
**(Formerly Known As Vruddhi Steel Limited)**  
**(CIN-U28246MH2020PLC348853)**  
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**  
**Notes To Financial Statement**  
**Note 27 : Earnings Per Share**

<b>Sr No.</b>	<b>Particular</b>	<b>Year ended 31st March 2024</b>	<b>Year ended 31st March 2023</b>
(a)	Net Profit after tax as per Statement of Profit and Loss attributable to shareholders in Rs)	57.29	75.33
(b)	Weighted Average number of Equity Shares used as denominator for calculating basic and diluted EPS (In No's)	18.44	31,041
(c)	Basic & Diluted per share (Before bonus)	90.46	242.66
	Basic & Diluted per share (After bonus)	3.11	15.17
(d)	Face value per equity share Rs.	10.00	10.00

**VRUDDHI ENGINEERING WORKS LIMITED**  
(Formerly Known As Vruddhi Steel Limited)  
(CIN-U28246MH2020PLC348853)  
(All Amounts Rs. In Lakhs, Unless Otherwise Stated)  
Notes To Financial Statement

**Note 12: Property, Plants & Equipments**

Assets	Gross Block				Accumulated Depreciation				Net Block Value as at 31/03/2024
	Balance as at 01/04/2023	Additions	Disposals/ Adjustments	Balance as at 31/03/2024	Balance as at 01/04/2023	Depreciation for the year	Disposals/ Adjustments	Balance as at 31/03/2024	
Plant and Machinery	98.44	58.02	-	156.45	9.50	21.87	-	31.36	125.09
Computer	4.50	3.74	-	8.24	1.37	2.06	-	3.44	4.80
Furniture & Fixture	0.48	-	-	0.48	0.01	0.12	-	0.13	0.35
Motor Vehicle	57.04	35.58	-	92.62	12.28	16.59	-	28.87	63.75
<b>TOTAL</b>	<b>160.46</b>	<b>97.33</b>	<b>-</b>	<b>257.80</b>	<b>23.16</b>	<b>40.64</b>	<b>-</b>	<b>63.80</b>	<b>194.00</b>

Assets	Gross Block				Accumulated Depreciation				Net Block Value as at 31/03/2023
	Balance as at 01/04/2022	Additions	Disposals/ Adjustments	Balance as at 31/03/2023	Balance as at 01/04/2022	Depreciation for the Year	Disposals/ Adjustments	Balance as at 31/03/2023	
Plant and Machinery	25.60	72.84	-	98.44	0.94	8.56	-	9.50	88.94
Computer	1.85	2.65	-	4.50	0.48	0.89	-	1.37	3.12
Furniture & Fixture	-	0.48	-	0.48	-	0.01	-	0.01	0.47
Motor Vehicle	5.29	51.76	-	57.04	0.22	12.06	-	12.28	44.77
<b>TOTAL</b>	<b>32.73</b>	<b>127.73</b>	<b>-</b>	<b>160.46</b>	<b>1.65</b>	<b>21.51</b>	<b>-</b>	<b>23.16</b>	<b>137.30</b>

**Note 27 -Disclosures under Accounting Standards**

**(1) Related party transactions**

The disclosures pertaining to the related parties as required by the Accounting Standard, AS-18 as notified under the Companies (Accounts) Rules, 2014, are indicated below:  
 Note: Related parties have been identified by the Management.

**A. Key Management Personnel**

Sr. No.	Name of the Party	Relation
1	Bindi Kunal Mehta	Director
2	Vedant Mukesh Mehta	Director
3	Hiral Rushang Gandhi	Chief financial officer
4	Kishori Jaysingh Sodha	Company Secretary

B. Entities in which Directors, Key Management Personnel or their relatives having significant influence.

[1] Kassel Realty Private Limited

[2] JRF Polymers LLP

[3] Jahanvi Steel Private Limited

**C. Relative of key manager personnel**

[1] Jahanvi Doshi

[2] Mukesh Mehta

[3] Varsha Mehta

**D. Disclosure in respect of transactions with Related Parties**

Particulars	Nature of Transaction	Year ended March 31, 2024	Year ended March 31, 2023
Bindi Kunal Mehta	Loan Received	-	32.51
	Loan Repaid	11.76	24.79
	Remuneration Paid	13.55	-
	Issue of Share Capital	90.22	87.23
Vedant Mukesh Mehta	Loan Received	4.09	24.94
	Loan Repaid	9.88	50.72
	Issue of Share Capital	81.95	37.59
	Remuneration Paid	14.53	3.59
Jahanvi Steel Pvt Ltd	Sales of Goods	-	350.98
	Purchase of Goods	-	19.13
Jahanvi Doshi	Issue of Share Capital	1.43	0.60
Mukesh Mehta	Issue of Share Capital	0.95	0.40
Varsha Mehta	Remuneration Paid	12.63	-
	Issue of Share Capital	0.95	0.40

**E. Disclosure in respect of Outstanding Balances of Related Parties**

Particulars	Receivable / Payable	As at March 31, 2024	As at March 31, 2023
Bindi Kunal Mehta	Loan Payable	2.00	13.76
	Remuneration payable	1.24	-
Vedant Mukesh Mehta	Loan Payable	3.00	8.80
	Remuneration payable	1.40	-
Jahanvi Steel Pvt Ltd	Sales of Goods	-	0.14
	Purchase of Goods	-	-
Varsha Mehta	Remuneration payable	-	-
		1.15	-

**(2) Corporate Social Responsibility (CSR)**

The provision related to Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility is not applicable to the Company.

**(3) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(4) The Company does not have any assets other than Property, Plant and Equipment, Intangible assets and non-current investments during the year under review.

(5) The title deeds all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the company.

(6) The Company has not revalued its Property, Plant and Equipment during the year under review.

**(7) Details of Benami Property held**

The Company do not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(8) Undisclosed Income**

The Company does not have any transactions that was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Further, there has been no previously unrecorded income and related assets that are required to be properly recorded in the books of account during the concerned financial year.

**(9) Wilful Defaulter**

The Company is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, as at the year end.

(10) The Company has not entered into any transaction with the companies Struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the concerned financial year.

**(11) Ratio Analysis**

Sr.no.	Ratio	Numerator	Denominator	2023-24	2022-23	% change in ratio Variance	Reasons for variance of more than 25% *
1	Current ratio (in times)	Total current assets	Total current liabilities	1.15	1.26	(8.57)	-
2	Debt-Equity ratio (in times)	Borrowings	Total equity	1.08	9.12	(88.19)	Due to increase in share capital
3	Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation + Interest	Interest payment + Principal Payments	3.24	5.61	(42.33)	Due to decrease in profit after tax
4	Return on equity ratio (in times)	Profit after tax	Average total equity	0.24	0.68	(64.96)	Due to increase in average equity
5	Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	37.59	55.33	(32.05)	Due to increase in revenue from operations
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.87	4.53	(14.56)	-
7	Trade payables turnover ratio (in times)	Total purchases	Average trade payables	6.19	10.93	(43.36)	Due to increase in purchases
8	Net capital turnover ratio (in times)	Revenue from operations	Average working capital	17.14	17.29	(0.87)	-
9	Net profit ratio (in times)	Profit after tax	Revenue from operations	0.03	0.06	(54.43)	Due to increase in revenue from operations
10	Return on capital employed (in times)	Profit before tax	Capital employed = Net Worth+Total Debt	0.14	0.45	(68.34)	Due to increase in net worth

Sr.no.	Ratio	Numerator	Denominator	2022-23	2021-22	% change in ratio 2022-2023	Reasons for variance of more than 25% *
1	Current ratio (in times)	Total current assets	Total current liabilities	1.26	1.41	(0.12)	-
2	Debt-Equity ratio (in times)	Borrowings	Total equity	9.12	41.48	(3.55)	-
3	Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation + Interest	Interest payment + Principal Payments	5.61	66.50	(10.85)	-
4	Return on equity ratio (in times)	Profit after tax	Average total equity	0.68	1.95	(1.87)	-
5	Inventory turnover ratio (in times)	Cost of Sales	Average Inventory	55.33	104.56	(0.89)	-
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.53	9.00	(0.99)	-
7	Trade payables turnover ratio (in times)	Net Credit Purchases	Average trade payables	10.93	21.01	(0.92)	-
8	Net capital turnover ratio (in times)	Revenue from operations	Average working capital	17.29	19.79	(12.61)	-
9	Net profit ratio (in times)	Profit after tax	Revenue from operations	0.06	0.04	0.26	-
10	Return on capital employed (in times)	Profit before tax	Capital employed = Net Worth+Deferred Tax Liability	0.45	1.24	(1.74)	-

**(12) Compliance with number of layers of companies**

The company does not have any subsidiaries as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**(13) Compliance with approved Scheme(s) of Arrangements**

There has been no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

**(14) Utilisation of Borrowed funds and share premium**

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities

(B) The Company has not received funds from foreign entities (Funding Party), where there is any understanding with intermediary for lending, investing or providing guarantee or security on behalf of the ultimate beneficiary.

(15) Balances with respect to trade receivable and trade payables are subject to confirmation, reconciliation and consequential adjustments, If Any.

**Note 28:**  
**Earnings Per Share (EPS)( After Bonus Issue)**

Sr. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
		Amount (Rs.)	Amount (Rs.)
A	Net Profit for the year attributable to equity shareholders (After Tax)	57.29	75.34
B	Outstanding No of Equity Shares	18.44	0.63
C	Weighted average No. of Equity Shares (Pre Bonus)	0.63	0.31
D	Weighted average No. of Equity Shares (Post Bonus)	18.44	4.97
E	Basic Earnings per share (A/C) (Amt in Rs.) (Pre Bonus)	90.46	242.69
F	Basic Earnings per share (A/D) (Amt in Rs.) (Post Bonus)	3.11	15.17
G	Nominal Value Per Share	10.00	10.00

(16) The company was in the process of listing on BSE SME Platform as on March 31, 2024 and got listed w.e.f. April 3, 2024 by issuing 6,80,000 shares of Rs. 10 each at Rs. 70

(17) Previous year's figures have been regrouped and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

**For Maheshwari & Co.**  
Chartered Accountants  
Firm Registration No. 105834W

**For and on behalf of the Board of Directors of  
VRUDDHI ENGINEERING WORKS LIMITED**

**Vikas Asawa**  
Partner  
Membership No.172133

**Bindi Kunal Mehta**  
(Managing Director)  
(DIN: 08936998)

**Vedant Mukesh Mehta**  
(Director)  
(DIN: 08936999)

**Hiral Rushang Gandhi**  
(Chief financial officer)  
(Pan No. JCSP55825L)

**Kishori Jaysingh Sodha**  
(Company Secretary)  
(Membership No.ACS 41799)

Place: Mumbai  
Date: 30 May 2024

Place: Mumbai  
Date: 30 May 2024





**REG. OFFICE : 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge,  
Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069  
CIN: U28246MH2020PLC348853 || E-mail : cs@vruddhicouplers.com  
Website: www.vruddhicouplers.com || Phone: +91- 022 26128915**

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting (“AGM”) of the members of Vruddhi Engineering Works Limited (“Vruddhi” or “the Company”), will be held on Monday, 30<sup>th</sup> September, 2024 at 11:00 a.m. (IST), at the registered office of the company situated at 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Maharashtra, India, 400069 to transact the following businesses:

#### **ORDINARY BUSINESS:**

**Item No. 1 - To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended on March 31, 2024 and the Report of the Board of Directors and Auditors thereon.**

**Item No. 2 - To Appoint a Director in place of Mr. Vedant Mukesh Mehta (DIN: 08936999) who retires by rotation and, being eligible, offers himself for re-appointment.**

**BY THE ORDER OF THE BOARD OF DIRECTORS  
FOR VRUDDHI ENGINEERING WORKS LIMITED  
Sd/-**

**Date- September 07, 2024  
Place- Mumbai**

**Kishori Jaysingh Sodha  
Company Secretary**

**Registered Office:  
1317, Hubtown Solaris, N. S. Phadke Road,  
Near Flyover Bridge, Andheri East,  
Mumbai, Maharashtra, India, 400069**

## NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013, is annexed herewith and forms part of the Notice.
2. A Member entitled to attend and vote at the annual general meeting (the “meeting” / “AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the company’s registered office, duly completed and signed, not less than 48 (forty-eight) hours before the meeting.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the 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 Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their dully filled attendance slip at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours (10.00 a.m. to 05.00 p.m.) up to the date of the Meeting.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Bigshare Services Private Limited (RTA), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company or its Registrars & Transfer Agents (RTA).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
9. Non-Resident Indian Members are requested to inform RTA immediately of: a. Change in their residential status on return to India for permanent settlement. b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
10. To support the ‘Green Initiative’ members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA / Depository Participants for receiving all communication including annual report, notices, circulars, etc. from the company electronically.
11. Members desirous of obtaining any information of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Annual General Meeting so that the information required may be made available at the AGM.

12. With reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB as per SEBI (ICDR) Regulations, 2009 are exempted from e-voting facility to its shareholders.
13. The Company has connectivity from the CDSL & NSDL and Equity Shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE00MZ01013. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrars & Transfer Agents (RTA).
14. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 23rd September, 2024, only shall be entitled to avail facility of voting at the venue of meeting. A person who is not a member as on the cut off date should treat this notice for information only.
15. Any person, who acquires shares of the company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote as provided in the Notice conveying the Meeting, which is available on the website of the Company.
16. The board of directors has appointed Krushang Shah, Company Secretary, to act as Scrutinizer for conducting the voting process in a fair and transparent manner.
17. The Scrutinizer will submit his report to the Chairperson after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairperson or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company [www.vruddhicouplers.com](http://www.vruddhicouplers.com) and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairperson or any other person authorized by him and communicated to the Stock Exchanges.



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Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069  
CIN: U28246MH2020PLC348853 || E-mail : cs@vruddhicouplers.com  
Website: www.vruddhicouplers.com || Phone: +91- 022 26128915**

### ATTENDANCE SLIP

Date \_\_\_\_\_

Please fill Attendance Slip and hand it over at the entrance of the meeting venue.

Name	
Address	
DP ID*	
Client ID*	
Folio No.	
No. of shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Monday, 30th September, 2024 at 11:00 a.m. (IST), at the registered office of the company situated at 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Maharashtra, India, 400069.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
**Signature of Shareholder / Proxy**



**REG. OFFICE : 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069**  
**CIN: U28246MH2020PLC348853 || E-mail : cs@vruddhicouplers.com**  
**Website: www.vruddhicouplers.com || Phone: +91- 022 26128915**

**FORM OF PROXY  
(Form MGT-11)**

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

**CIN:** U28246MH2020PLC348853

**Name of the Company:** Vruddhi Engineering Works Limited

**Registered office:** 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069

<b>Name of the Member(s):</b>	
<b>Registered Address:</b>	
<b>E-mail ID:</b>	
<b>Folio No. / Client ID:</b>	
<b>DP ID:</b>	

I/We, being the member(s) of \_\_\_\_\_ shares of the Company, hereby appoint:

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, 30th September, 2024 at 11:00 a.m. (IST), at the registered office of the company situated at 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Maharashtra, India, 400069 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolutions	Optional*	
		For	Against
<b>Special Business:</b>			
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended on March 31, 2024 and the Report of the Board of		

	Directors and Auditors thereon.		
2	To Appoint a Director in place of Mr. Vedant Mukesh Mehta (DIN: 08936999) who retires by rotation and, being eligible, offers himself for re-appointment.		

Affix  
Revenue  
Stamp\*\*

Signed this \_\_\_\_\_ day of September, 2024

Signature of shareholder\_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

\*\* Kindly cancel the Revenue Stamp after affixing the same.

## ROAD MAP TO THE VENUE OF ANNUAL GENERAL MEETING

**Venue of the AGM:** 📍 : 1317, Hubtown Solaris, N. S. Phadke Road, Near Flyover Bridge, Andheri East, Mumbai, Mumbai, Maharashtra, India, 400069

