



VALLABH STEELS LIMITED

(Govt. of India Recognised One Star Export House)
Regd. & Administrative Office : G. T. Road, Sahnewal, Ludhiana - 141 120 (INDIA)
Phones : +91-161-2511412, 2511413, Fax : +91-161-2511414
E-mail : vardhman@vallabhgroup.com CIN : L27109PB1980PLC004327

VSL/BSE/2019-20

07.09.2019

The Manager
Listing Compliance
BSE Limited
P J Tower,
Dalal Street,
Mumbai – 400 001

Sub.: ANNUAL REPORT AND NOTICE OF 39TH ANNUAL GENERAL MEETING
Ref.: SCRIP CODE: 513397

Dear Sir,

We wish to inform you that 39th Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, the 28th day of September, 2019 at 10:00 A.M. at the Registered Office of the Company at G. T. Road, Village Pawa, Sahnewal, Ludhiana.

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report and notice calling Annual General Meeting containing all the business to be transacted at the meeting for your reference and records, please.

We hope you will the same in order.

Thanking you,

Yours faithfully,
For VALLABH STEELS LIMITED

(KAPIL KUMAR JAIN)
Managing Director

Encl: as above

ISO 9001



DNV

Registered Firm

Delhi Office : Flat No. 1309, 13th Floor, Vikram Tower, Rajendra Place, New Delhi-110008 (India)
Phones : +91-11-25743060, Fax : +91-11-25742403
www.vallabhsteelsltd.in



39th Annual Report 2018-19

VALLABH STEELS LIMITED

**BOARD OF DIRECTORS**

Mr. Kapil Kumar Jain	Chairman & Managing Director
Mr. Vijay Kumar Sharma	Independent Director
Mr. Suman Jain	Independent Director
Mrs. Sunita Maggu	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Suresh Gupta

STATUTORY AUDITORS

KR Aggarwal & Associates

Chartered Accountants

SCO 549/10, (1st Floor), Satluj Tower, Opp. Petrol Pump, Cemetery Road,
Near Fountain Chowk, Ludhiana -141001 (Punjab)

BANKERS

Punjab National Bank	Oriental Bank of Commerce
Large Corporate Branch	Overseas Branch
Bhagwati Tower, R.K. Road	Jandu Tower,
Ludhiana-141003	Ludhiana-141003

REGISTERED OFFICE

G.T.Road, Pawa, Sahnewal

Ludhiana - 141120 (Punjab)

(CIN: L27109PB1980PLC004327)

E-mail ID: fin.ho@vallabhgroup.com

Website: www.vallabhsteelsltd.in

WORKS

G.T. Road, Nandpur, Sahnewal, Ludhiana - 141120 (Punjab)

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NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of Vallabh Steels Limited will be held at Registered Office of the company at G.T. Road, Village Pawa, Sahnewal, Ludhiana on Saturday, the 28th September, 2019 at 10.00 A.M. to transact the following business:-

AS ORDINARY BUSINESS**1. ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019, the Audited Financial Statements of the Company for the financial year ended on that date and the Reports of Auditors and Board of Directors thereon.

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

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

AS SPECIAL BUSINESS**3. APPROVAL OF REMUNERATION OF COST AUDITOR:**

TO APPROVE AND TO RATIFY THE REMUNERATION OF COST AUDITOR AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration to M/s. Meenu & Associates, Cost Accountants (having Firm Registration No. 100729), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, of Rs. 30,000/- (Rupees Thirty Thousand Only) plus taxes and reimbursement of actual out of pocket expenses in connection with the aforesaid audit be and is hereby approved."

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

4. APPOINTMENT OF SECRETARIAL AUDITOR:

TO APPROVE THE APPOINTMENT OF THE SECRETARIAL AUDITOR FOR THE FINANCIAL YEAR ENDING MARCH 31, 2020 AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the consent of the Company be and is hereby accorded to the Board of Directors ("the Board") for appointment of M/s. RCS & Company, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2019-20 on such remuneration as may be mutually decided by the Board and the Secretarial Auditors plus taxes and actual out of pocket expenses incurred by them in connection with aforesaid audit."

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

5. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section(s) 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof and subject to such approvals as may be deemed necessary, including the approval of the Central Government, consent of the Company be and is hereby accorded for the re-appointment of Mr. Kapil Kumar Jain as Chairman & Managing Director for a further period of Five years w.e.f. 28.08.2019 and for payment of remuneration to Mr. Kapil Kumar Jain, Chairman & Managing Director of the Company by way of a salary (inclusive of perquisites) upto Rs.3,00,000/- (Rs. Three Lac only) per month plus perquisites and allowances as detailed in explanatory statement."



"RESOLVED FURTHER THAT Board of Directors/Remuneration Committee be and is hereby authorised to alter or increase or vary the terms and conditions of the said remuneration and/or agreement in such form and manner or with such modifications as the board may deem fit or as may be prescribed by the Central Government while granting necessary approvals, if any required, in this regard and as may be acceptable to Mr. Kapil Kumar Jain, without again referring the same to the General meeting."

"RESOLVED FURTHER THAT where in any financial year, the company has no profits or its profits are inadequate during the tenure of proposed remuneration of Mr. Kapil Kumar Jain, the remuneration aforesaid shall be the minimum remuneration provided that it does not exceed the limits as prescribed in Section II of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as any be required to give effect to the aforesaid resolutions."

**PLACE : LUDHIANA
DATED : 27.08.2019**

BY ORDER OF THE BOARD OF DIRECTORS
Sd/-
(KAPIL KUMAR JAIN)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00755228

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed herewith and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE, DULY COMPLETED, STAMPED AND SIGNED, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the Board Resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the company will remain closed from Monday, the 23rd September, 2019 to Saturday, the 28th September, 2019 (both days inclusive) on account of Annual General Meeting.
5. Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP Id and Client ID/Folio No. (as the case may be).
6. Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Share Transfer Agents of the company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants (DPs).
7. As Amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018 members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical shares. Members can contact the Company or Mas Services Limited for further assistance.
8. The Securities and Exchange Board of India (SEBI) vide circular dated April 20, 2018 as modified by circular dated July 16, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank Account details by every participant in securities market. Members of the company holding shares in physical form can submit their PAN and Bank Account details to the Company/Registrar and Share Transfer Agent (RTA). Members please note that with effect from 31st March, 2019 SEBI has prescribed that transfer of securities would be carried out in dematerialized form only. Members holding shares in physical form are requested to get the same dematerialized at the earliest.
9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, no amount is pending or lying unpaid or unclaimed for a period of 7 (Seven) years to be transferred to the Investor Education and Protection Fund (IEPF) constituted by Central Government.
10. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at



least seven days before the meeting to enable the company to have relevant information ready at the meeting.

11. A brief resume of Directors to be re-appointed, nature of their expertise in specific functional areas, disclosure of relationship between directors inter-se, names of Companies in which the person holds the directorship and the membership of Committees of the board and shareholding of non-executive directors as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the explanatory statement and annexure to this notice.
12. Copy of the Annual Report including notice of the 39th Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the same is being sent through the permitted mode.
13. Members are requested to bring their copy of Annual Report along with them to the AGM.
14. The Registers maintained under Section 170, 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
15. The facility for voting through ballot or polling paper will also be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
16. Members may also note that the Notice of the 39th AGM and the Annual Report for the financial year 2018-19 is also available on the Company's website at www.vallabhsteelsltd.in
17. Members may also note that the equity shares of the company have been included in the list of securities for compulsory trading in dematerialized form under ISIN No. INE457E01016. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future. After 31st March, 2019 the shares held in physical form will not be transferred. They are requested to send their Dematerialisation Request Form (DRF) through their Depository Participant (DP).

VOTING THROUGH ELECTRONIC MEANS:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the members facility to exercise their right to vote on resolutions proposed to be considered at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting service. The facility of casting of votes by the members using an electronic voting system will be provided by National Securities Depository Limited (NSDL).

PROCESS AND MANNER FOR E-VOTING:

The instructions for e-voting are as under:

- A. In case of members receiving e-mail from RTA/NSDL (for Members whose e-mail ids are registered with the Company/Depositories):**
- i. Open e-mail and open PDF file viz. "VSL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on "Shareholders" Login.
 - iv. Put User Id and password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN" of "**Vallabh Steels Limited**" which is **111879**
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jatinsingal@gmail.com with a copy marked to evoting@nsdl.co.in.

**B. In case Members receiving the physical copy of Notice of 39th Annual General Meeting (for Members whose e-mail ids are not registered with the Company/Depositories or requesting physical copy):**

- a. Initial password is provided in the attendance slip.
- b. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of 'A' above to cast vote.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- d. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- e. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- f. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 22nd September, 2019, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, Mas Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- g. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

C. General Instructions:

- i) The e-voting period shall commence at 9.00 a.m. on Wednesday, 25th September, 2019 and shall end at 5.00 p.m. on Friday, 27th September, 2019. During this period members of the Company, holding shares either in physical or in dematerialized form, as on the record date i.e. 22nd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii) The Company has appointed Mr. Jatin Singal, Practicing Company Secretary (Membership No. FCS - 9716 & C.P. No. 11976) to act as the Scrutinizer to scrutinize the voting at AGM and for e-voting process in a fair and transparent manner.
- iii) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iv) The results declared alongwith the report of Scrutinizer shall be placed on the website of the Company at www.vallabhsteelsltd.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him and the same shall be communicated to Stock Exchange.
- v) Members are requested to support the "Green Initiative" by registering their E-mail address with the Company, if not already registered. Those members who have changed their E-mail ID are requested to register their new E-mail ID with the Depository Participant where shares are held in Demat mode and in case the shares are held in physical form, may register the E-mail ID with the Registrar & Share Transfer Agent of the Company by sending a letter under their Registered Signature at the below mentioned address:

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020, Phone: 011-26387281-83, Fax: 011- 26387384,
E-mail: info@masserv.com

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 27.08.2019

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

EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 CONCERNING ITEM NOS. 3 TO 5 OF SPECIAL BUSINESS (AS PART OF NOTICE):
FOR ITEM NO. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Meenu & Associates, Cost Accountants as the Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, the Board has recommended and seeks consent of the members for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

FOR ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. RCS & Company, Company Secretaries as Secretarial Auditors to conduct the audit of the Company for the financial year 2019-20 pursuant to the provisions of Section 204 of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Accordingly, the Board recommended and seeks consent of the members for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for appointment of the Secretarial Auditors for the financial year ending March 31, 2020.

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

FOR ITEM NO. 5

Mr. Kapil Kumar Jain has been reappointed as Chairman & Managing Director of the company by the Board in its meeting held on 27th August, 2019 for a further period of five years with effect from 28.08.2019. As per the amendments in Schedule V (Section II) of the Companies Act, 2013 consent of the members of the Company by way of passing a Special Resolution is required for payment of remuneration to a Managerial person for a period not exceeding five years in case of Companies having no profits or inadequate profits.

The principal terms of remuneration of Mr. Kapil Kumar Jain as approved by the Remuneration Committee and by the Board of Directors of the Company w.e.f. 28.08.2019 for a further period of five years i.e. up to 27.08.2024 is given as under:

Salary:

The Chairman & Managing Director shall be paid a salary of upto Rs.3,00,000/- (Rs. Three Lacs only) per month.

Perquisites & Allowances:

Perquisites and Allowances have been allowed in addition to above salary and have been restricted to an amount of Rs. 12,00,000/- (Rs. Twelve Lacs only) in a year as under:

i) Housing:

Free furnished accommodation or house rent allowance equal to 50% of the basic salary. Free furnishing shall also be provided by the company alongwith other amenities. The said facility shall, however, be subject to the policy framed by the company in this respect. The expenditure incurred by the company on the gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

ii) Medical Reimbursement:

Expenses incurred for self and the family (including Mediclaim Insurance Premium) subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

iii) Leave:

Leave with full pay or encashment thereof as per the Rules of the Company.

iv) Leave Travel Concession:

For self and family, once in a year incurred in accordance with Rules specified by the company.

v) Club fees:

Fees of Clubs subject to a maximum of two clubs, excluding admission or life membership fees.

vi) Personal Accident Insurance:

Premium not to exceed Rs. 5,000/- per annum.


vii) Provident Fund:

Contribution to Provident fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent either these singly or put together are not taxable under the Income Tax Act.

viii) Gratuity:

Gratuity payable shall not exceed half a month's salary for each completed year of service. This will, however, be subject to ceiling prescribed by the Central Government from time to time.

ix) Car:

Provision of car alongwith driver for use for company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the appointee."

The Board recommend this resolution for your approval.

MEMORANDUM OF INTEREST:

None of the Directors/Key Managerial personnel or their relatives except Mr. Kapil Kumar Jain, the appointee, is interested in the resolution.

The above may be treated as an abstract of the terms and conditions of appointment and notice of Interest under Section 190 of the Companies Act, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(KAPIL KUMAR JAIN)

CHAIRMAN & MANAGING DIRECTOR

DIN: 00755228

PLACE : LUDHIANA

DATED : 27.08.2019

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

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard]

Name of Director	Mr. Kapil Kumar Jain
Date of Birth and Age	12.08.1950, 69 Years
Qualification and Experience	Graduate, 46 Years
Date of Appointment on the Board	15.03.1992
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not Related to any Director/ Key Managerial Personnel
Expertise in Specific Functional Area	Mr. Kapil Kumar Jain has vast experience in Business Management
Names of other public entities in which the person hold the Directorship	None
Names of other public entities in which the person holds Membership/Chairmanship of the Committees of the Board	None
Shareholding in the Company as on March 31st, 2018	2,32,000 shares
Number of the Meetings of the Board attended during the year	10/10 meetings attended


DIRECTORS' REPORT

To

The Members,

Vallabh Steels Limited

We have pleasure in presenting the 39th Annual Report of the Company alongwith the Audited Statement of Accounts for the year ended 31st March, 2019:

FINANCIAL RESULTS:

		(Rupees in Lakhs)	
	Current Year	Previous Year	
Revenue from Operations and Other Income	11689.13	14277.41	
Profit before Interest, Depreciation and Tax	599.58	671.43	
Less:			
Financial Costs	343.98	333.82	
Provision for Depreciation	235.17	270.60	
Taxes: Current Tax	4.92	12.83	
MAT Credit Entitlement	(4.92)	(12.83)	
Deferred Tax/Earlier year tax adjustment	(3.90)	(26.84)	
Profit after Tax	24.33	93.85	

PERFORMANCE REVIEW:

During the year under review, your Company has achieved a total revenue of Rs. 11689.13 lakhs as compared to Rs. 14277.41 lakhs of previous year. The net profit is placed at Rs. 24.33 lakhs as against Rs. 93.85 lakhs of previous year. The Company has registered profit before interest, depreciation and tax of Rs. 599.58 lakhs as compared to Rs. 671.43 lakhs of the previous year.

The management of the Company is seized of the matter and taking all out effective steps to face the various challenges and your company expects to register better performance in the years to come.

INDUSTRY AND ECONOMIC SCENARIO:

India is Third largest producer of steel in the world after China and Japan. Steel demand in India is expected to grow in 2019-20 based on expected growth in different sectors particularly construction and Real Estate and government spending on infrastructure. Recovery in Automotive Sector and Capital Goods Sectors is likely to lead to stronger growth in the coming years.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes or commitments or events affecting the financial position of the Company which have occurred after March 31, 2019 till the date of this report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

SHARE CAPITAL:

The Company's paid up equity share capital as at March 31, 2019 stood at Rs. 4,95,00,000/- comprising of 49,50,000 equity shares of Rs. 10/- each. During the year under review, the Company has not issued any fresh shares.

EXPORTS:

Despite all efforts made by the management for exports of its products, the company could not register any exports during the year under report.

DIVIDEND AND RESERVES:

With a view to conserve resources for Company's future requirements, your directors have not recommended any dividend for the year under consideration. The Board of Directors has decided to retain all the profits in statement of profits and loss.

LISTING OF SHARES:

The Equity Shares of the Company are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The Company has duly paid the listing fee to BSE Limited, Mumbai upto the Financial Year 2019-20.

**PUBLIC DEPOSITS:**

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

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

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

During the year under review, The Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mrs. Chandni Jain as Company Secretary of the Company w.e.f. December 12, 2018. Subsequently Mrs. Chandni Jain has resigned on 1st August, 2019 and the Company is in the process of appointing a new Company Secretary.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Kapil Kumar Jain, Managing Director and Mr. Suresh Gupta, Chief Financial Officer.

INTERNAL FINANCIAL CONTROLS:

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178 of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which forms part of this report.

MEETINGS:

A draft calendar of Meetings is prepared and circulated in advance to the Directors. During the year 10 (Ten) Board Meetings and 5 (Five) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between two meetings was within the stipulated period prescribed under the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Directors are pleased to present the Management's Discussion and Analysis of operations for the year ended March 31, 2019 attached as **Annexure-I** which forms part of this Annual Report.

CORPORATE GOVERNANCE:

Your Company is committed to maintain highest standards of Corporate Governance and adheres to the corporate governance requirements as set out by Securities and Exchange Board of India ('SEBI'). Pursuant to the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed report on Corporate Governance is attached as **Annexure-II** and forms part of this Annual Report. The Company is in compliance with the various requirements and disclosures that have to be made in this regard. A certificate from the Auditors confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is attached and forms part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

**SUBSIDIARY /ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary/Associate Companies.

RELATED PARTY TRANSACTIONS:

There were no such contracts or arrangements or transactions entered into during the year ended March 31, 2019 as stated in Form AOC-2 attached as **Annexure-III** which forms integral part of this report. None of the Independent Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

All the related Party Transactions are placed before the Audit Committee and also to the Board for approval. Prior omnibus approval was obtained for transactions and a statement giving details of all related party transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis. The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company i.e. www.vallabhsteelsltd.in.

PERSONNEL AND INDUSTRIAL RELATIONS:

The Management-Employees relations remained cordial throughout the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) of the Act, the details forming part of the extract of the Annual Return in form MGT-9, for the Financial Year 2018-19 is annexed herewith as **Annexure-V**.

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

M/s. K. R. Aggarwal & Associates, Chartered Accountants (Firm Regn. No. 030088N) were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company held on 28th September, 2017 for a period of five years i.e. till the conclusion of 42nd AGM (to be held in calendar year 2022) pursuant to provisions of sections 139, 141 and other applicable provisions of the Companies Act, 2013 as amended.

As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Audit Report: The Auditors' Report read with the relevant notes on accounts for the year under review is self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualifications, reservations or adverse remarks. There is no incidence of fraud requiring reporting by the Auditors under Section 143(12) of the Companies Act, 2013

b) COST AUDITORS:

As per the requirement of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been getting audit of cost records of the Company every year.

The Board of Directors, on recommendation of Audit Committee, has approved the appointment of M/s. Meenu & Associates, Cost Accountants, Ludhiana (Firm Registration no. 100729) as the Cost Auditors of the Company for the year ending 31st March, 2020, on a remuneration of Rs. 30,000/- (Rs. Thirty Thousand) plus taxes as applicable and reimbursement of out of pocket expenses. The remuneration is subject to the ratification of the

Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification in the notice calling the 39th Annual General Meeting.

Audit Report: M/s. Meenu & Associates have also been the Cost Auditors of the Company for the financial year 2018-19. The Cost Audit Report for the financial year 2018-19 will be filed by the company with the Ministry of Corporate Affairs (MCA) within the stipulated time as per the provisions of the Companies Act, 2013.

c) SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. RCS & Company, Company Secretaries in Practice (C.P. No. 3154) to undertake the Secretarial Audit of the Company for the financial year 2018-19.

The Report of the Secretarial Audit carried out for the financial year 2018-19 is annexed to this Report as **Annexure VI**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and statements referred in the Secretarial Audit Report are self explanatory.

Pursuant to Regulations 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. RCS & Company, the Secretarial Auditors has issued Secretarial Compliance Report for the financial year 2018-19. The Secretarial Compliance Report is annexed as **Annexure VII**, to the Directors' Report.

The Board has re-appointed M/s. RCS & Company, Company Secretaries as Secretarial Auditors of the Company for the financial year 2019-20 and this item is included in the notice and agenda for approval by the members in the forthcoming annual general meeting.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company is constituted under the chairmanship of Mr. Kapil Kumar Jain and other members being Mr. Vijay Kumar Sharma and Mr. Suman Jain. No meeting of Committee was held during the financial year 2018-2019.

Risk Management Policy:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

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

SECRETARIAL STANDARDS:

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

GENERAL:

Your Directors state that no reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

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

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

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

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

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

I. CONSERVATION OF ENERGY:

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

A. POWER & FUEL CONSUMPTION	2018-19	2017-18
a) Electricity - Purchased		
Tube Mill, Cold Rolled Mill		
Purchased Units	53,46,037	56,76,073
Total Amount	4,03,35,985	4,09,92,035
Rate/Unit (Rs.)	7.55	7.22
b) Electricity - Own Generation		
Through Diesel Generator	39,342	34,320
Unit per liter of diesel oil	3.16	3.12
Cost/Unit (Rs.)	20.92	18.69
c) Furnace Oil		
Quantity (Ltrs.)	2,29,901	2,20,125
Total Cost	69,06,698	53,54,636
Average Rate (Rs.)	30.04	24.33
B. CONSUMPTION PER UNIT OF PRODUCTION		
Tube Mill, Cold Rolled Mill Electricity Per MT	2,299	1,585

II. R&D AND TECHNOLOGY ABSORPTION:

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:
a) Activities relating to export initiatives for export of its products:

During the year under review, various indigenous and international factors caused disappointment in exports. Despite all the efforts made, the company did not register any exports during 2018-19.



		(Amt. in Rupees)
b) Total Foreign Exchange used and earned	2018-19	2017-18
Foreign Exchange Used (CIF Value of Imports)	-	8,34,912
Foreign Earnings (FOB value of Exports)	-	Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- That in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and the profit or loss of the Company for the year ended on that date;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they had prepared the annual accounts for the financial year ended on 31st March, 2019 on a going concern basis;
- That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

ACKNOWLEDGEMENT:

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

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 27.08.2019

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

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

The management of Vallabh Steels Limited presents its analysis report covering performance and outlook of the Company. The Indian Steel Industry remains one of the most competitive steel industries in the world. However, there is a need to create a fair level playing field amidst supply glut caused by surplus capacities in steel surplus countries. India has emerged as one of the brightest spots in the world grappling with economic turbulence and fragile growth. In the financial year 2019-20 growth rate is estimated around 7% driven by the fundamentals of strong consumption and the government's push for streamlining the business processes. Focus on infrastructure creation, housing policy initiatives by the Government of India augers well for healthy growth in Steel demand in India in the years to come.

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

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

Indian Economy:

The Government of India introduced the Goods and Services Tax Act (GST) two years ago besides other economic measures like Promulgation of Insolvency and Bankruptcy Code to improve asset quality of Banks which will further result in growth of the economy and enhance the ease of doing business in India. The fundamentals of Indian economy continued to improve during the year. However in general there is pressure not only on Indian economy but worldwide.

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

Your Company is mainly engaged in the manufacturing and marketing of Steel Pipes and Cold Rolled Steel Strips & Coils which fall within the single segment of "Iron & Steel Industry."

ii) Highlights: The highlights of the financial year 2018-19 have been as under:

- The Company recorded a total revenue of Rs. 11689.13 Lakhs.
- Various measures launched during the year to improve the quality of cut ends in final products.
- The Company has been able to meet its raw material requirement without compromising on quality and production schedules.

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

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

The Company is engaged in steel and steel related products activity. The outlook for the industry looks promising. Indian Steel demand did very well showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the years to come.

Competition in Steel industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steel making units. The Company's thrust on improving productivity and re-ducing cost of production will, in such a scenario, help in forging ahead in globally competitive environment. Global economic uncertainties have affected India's economy. Key risks synonymous to industry include the increase in financial charges, non-availability of raw materials, such as iron-ore, coal and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run. However following factors may pose threat, risk & concern for the Iron

& Steel Industry in general and your company in particular:

1. Any adverse conditions of user sector to which it caters, thus adversely affecting the demand.
 2. Underdeveloped infrastructure curtailing growth prospects.
 3. The supply and demand imbalance due to new capacities coming on stream which may have negative impact on the plant utilization and steel prices.
 4. Unexpected reduced growth of the manufacturing sector impacting demand.
 5. Quantitative restrictions and/or additional tariffs of exports from India by importing countries.
 6. Unpredictable and sharp cyclical movements in the raw material and other input prices.
 7. Any change in Govt. Policies pertaining to steel industry may affect the profitability.
- The opportunities of growth for your company as detailed below are manifold in view of its Strengths which may also counter the above concerns:-
1. It is expected that better trends will emerge and may improve also in the times ahead. Your company by virtue of quality and market oriented specification of its products have posted profitable operations during the most trying times in the past. As such current conditions may pave a way for improved performance in future.
 2. Well established customers base for the last over 38 years.
 3. Your Company is fully poised to reap the benefits of economies of scale and it will be in a better position to negotiate raw material prices on long term bulk lifting basis & definite savings on overheads will bring down the cost per unit of production and lead to higher profitability.
 4. Your Company has strategic advantage as its units are located in the industry friendly areas having all infrastructural amenities.

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

(d) Environment Safety:

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

(e) Risks and Concerns:

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

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

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

i. Risk related to Personnel:-

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

ii. Risk related to Safety:-

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

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

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

iii. Compliance Related Risks:-

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

f) Internal Financial Control System and its adequacy:

Your Company has a robust internal control system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. Gupta Sanjeev & Co., Chartered Accountants, (FRN: 005365N). The main thrust of internal audit is to test and review controls of various departments and areas. The reviews and findings by the Internal Auditors are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

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

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

g) Cautionary statement:

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

**ANNEXURE- II TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Governance Philosophy of Vallabh Steels Limited ("The Company") is based on trusteeship, transparency, accountability and equity. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, internal code of conduct for regulating, monitoring and reporting of trades by Insiders are the regulatory compliances duly updated by the Company from time to time.

Our focus on sustainable growth, productivity improvement, commitment to quality, self-discipline, value of time, safety in operations and total customers satisfaction is unrelenting. The company will continue its efforts towards raising the standards in Corporate Governance and will also review its systems and procedures constantly in pace with the changing economic environment from time to time as it feels that the Corporate Governance should be need based and is not seen only as an issue of compliance dictated by statutory requirements.

In pursuance of the above, the Board of directors has constituted committees to implement its policies and guidelines and has set up adequate review systems for exercising effective management control and ensuring compliance of laws. There is adequate representation of independent directors on the Board. We believe in timely and transparent disclosure of information.

The Company's governance framework is based on the following Principles:

- Appropriate composition of the Board with each member bringing in expertise in his respective domain;
- Availability of information to the members of the Board and Committees to enable them to discharge their fiduciary duties;
- Timely and accurate disclosures to Stakeholders from time to time;
- Systems and processes in place for internal control; and
- Adherence of business conduct by the Board, Senior Management and its employees.

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR Regulations)") as amended.

II. BOARD OF DIRECTORS:

a) Board Composition and category of Directors, Attendance of Directors at Board Meetings and at Last Annual General Meeting (AGM) and Number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies, Shareholding in the Company thereto:

- The Company has an appropriate combination of Executive and Non-Executive Directors including Independent Directors to maintain independence of the Board. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The Directors have expertise in the fields of industry, operations, finance, legal and management. The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities.
- None of the Directors on the Board holds directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding Committee positions in other companies as on March 31, 2019 have been made by the Directors.
- Structure of Board of Directors during the financial year 2018-19, attendance of each director at Board meetings and Annual General Meeting (AGM) held during the said year, number of other directorships and chairmanships/memberships of committees of each director in various companies, shareholding of the Non-Executive Directors in the Company as per the requirements of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the following table:

Name of Director	Category	Number of Board meetings during 2018-19		Whether attended last AGM held on 29.09.2018	Number of Directorship in other Indian Companies as on 31.03.2019		Committee Membership and Chairmanship in other Indian Public Companies*		No. of equity Shares
		Held	Attended		Private	Public	Chairman	Member	
Mr. Kapil Kumar Jain Chairman & Managing Director DIN: 00755228	Executive Director	10	10	Yes	1	--	--	--	2,32,000
Mr. Vijay Kumar Sharma DIN: 01007456	Non-Executive Independent Director	10	10	Yes	--	--	--	--	--
Mr. Suman Jain DIN: 07841463	Non-Executive Independent Director	10	9	Yes	--	--	--	--	--
Mrs. Sunita Maggu DIN: 07556766	Non-Executive Independent Director	10	8	No	--	--	--	--	--

Note: *Only two Committees, namely Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Board Meetings:-

- The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. The notice of each Board meeting is given to each director. The Company provides information as set out in the SEBI Listing Regulations read with Companies Act, 2013 to the Board and Board Committees to the extent it is applicable and relevant.

- ii) During the financial year 2018-19, the Board of Directors had 10 (Ten) meetings. These were held on 30.05.2018, 30.06.2018, 14.08.2018, 25.08.2018, 26.09.2018, 14.11.2018, 12.12.2018, 19.01.2019, 14.02.2019 and 30.03.2019. The interval between two meetings was within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations.
- iii) During the year 2018-19, information as mentioned in Schedule II of Part A of the SEBI Listing Regulations, as applicable has been placed before the Board for its consideration.
- iv) As stipulated in the Code of Conduct for Independent Directors under the Companies Act, 2013 and in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year 2018-19, a separate meeting of the Independent Directors was held on March 30, 2019 with the presence of all independent directors. The Independent Directors, inter-alia, evaluated and reviewed the performance of non-independent Directors, Chairman of the Company and Board as a whole and also the quality, quantity and timeliness of flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.
- v) The Board periodically reviews the compliance reports of all laws applicable to the company.
- vi) The Company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarisation programme imparted to the independent Directors during the year are available on the Company's website at www.vallabhsteelsltd.in
- vii) All Independent Directors are Non-Executive. As on 31st March, 2019, none of the Non-Executive Directors of the Company held shares of the Company. The Company has not issued any convertible instruments.

III. COMMITTEES OF THE BOARD:

(A) AUDIT COMMITTEE:

Composition:-

The Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the company's internal controls and financial reporting process. It is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements), 2015. All members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Economics and Risk Management. The Audit Committee comprises of the following directors:

Sr. No.	Name of Director	Name of Directorship	Designation in Committee
1.	Mr. Vijay Kumar Sharma	Non-Executive, Independent Director	Chairman
2.	Mr. Suman Jain	Non-Executive, Independent Director	Member
3.	Mrs. Sunita Maggu	Non-Executive, Independent Director	Member

All these members are Non-Executive Directors of the Company.

Terms of reference:

The terms of reference of the Audit Committee are broadly are as under:

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. Recommendations for appointment, remuneration and terms of appointment of auditors of the company;
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 and auditors' report thereon 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 Act.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on exercise of judgement 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. Qualification in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Scrutiny of inter-corporate loans and investments.

8. Examination of the financial statement and the auditors' report thereon.
9. Valuation of undertakings or assets of the company, wherever it is necessary.
10. Evaluation of internal financial controls and risk management systems.
11. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
12. To 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 their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
13. To review the information required as per SEBI Listing Regulations.

Meetings and Attendance:

The Audit Committee met 5 (Five) times during the financial year ended on 31st March, 2019. The Committee met on 30.05.2018, 14.08.2018, 25.08.2018, 14.11.2018 and 14.02.2019. The attendance record of the directors at Audit Committee Meetings during the year ended 31st March, 2019 is as under:

Sr. No.	Name of Director	Position	Category	No. of Meetings Attended
1.	Mr. Vijay Kumar Sharma	Chairman	Non-Executive, Independent Director	5 out of 5
2.	Mr. Suman Jain	Member	Non-Executive, Independent Director	5 out of 5
3.	Mrs. Sunita Maggu	Member	Non-Executive, Independent Director	5 out of 5

Role of the Audit Committee:

The Audit Committee inter-alia performs the functions of approving annual internal audit plan, reviews of financial reporting system, internal control systems, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors, recommendation for appointment of Statutory and Cost auditors and their remuneration, recommendation for appointment of and remuneration of Internal Auditors, Review of Internal Audit reports, significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013 and Listing Regulations. The Audit Committee of the Board of Directors of the company, inter-alia, provides assurance to the Board on the adequacy of the internal control system and financial disclosures.

(B) NOMINATION AND REMUNERATION COMMITTEE:
Composition:-

The composition of the Committee meets with the criteria mentioned under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee comprises of the following directors:

Sr. No.	Name of Director	Name of Directorship	Designation in Committee
1.	Mr. Vijay Kumar Sharma	Non-Executive, Independent Director	Chairman
2.	Mr. Suman Jain	Non-Executive, Independent Director	Member
3.	Mrs. Sunita Maggu	Non-Executive, Independent Director	Member

Meeting Details:

During the year 2018-19, the committee met two times on 25.08.2018 and 12.12.2018. The attendance record of the directors at Nomination and Remuneration Committee Meetings during the year ended 31st March, 2019 is as under:

Sr. No.	Name of Director	Position	Category	No. of Meetings Attended
1.	Mr. Vijay Kumar Sharma	Chairman	Non-Executive, Independent Director	2 out of 2
2.	Mr. Suman Jain	Member	Non-Executive, Independent Director	2 out of 2
3.	Mrs. Sunita Maggu	Member	Non-Executive, Independent Director	2 out of 2

Terms of Reference:

The broad terms of reference of nomination and remuneration committee are as under:

1. To identify the persons who are qualified to become Directors and members of Senior Management and to recommend to the Board, to set up and composition of the Board and its committees, including the formulation of the criteria for determining qualifications, positive attributes and independence of a director.

2. Devise a policy on Board diversity.
3. Recommend to the Board appointment of Key Managerial Personnel ('KMP' as defined by the Act) and executive team members of the Company.
4. To formulate a criteria of evaluation of performance of independent directors and the Board of Directors.
5. To recommend/ review remuneration of the Managing Director and Whole time Director based on their performance and defined assessment criteria.
6. To decide whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors.
7. To perform such other functions as may be necessary or appropriate for the performance of its duties.
8. To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

Remuneration Policy:

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and to determine their remuneration. The Policy provides guidelines to the Committee relating to appointment, removal and remuneration. It provides criteria for determining qualifications, positive attributes and independence of a director. This policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The remuneration of the Managing Director, Executive Directors, Key Managerial Personnel (KMP) and other employees of the Company is based on the performance evaluation. The Company pays remuneration by way of Salary, perquisites to its Managing Director. The detailed policy is as follows:

A) Criteria of selection of Non- Executive and Independent/Non-Independent Directors:

- a) The Non- Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c) The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) Considering the requirement of skilled persons on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board.
- e) The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such person(s) in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.
- f) The Nomination and Remuneration Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as a Director:-
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing; and
 - iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

B) Criteria for selection/appointment of Managing Director:

For the purpose of selection of the MD, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

C) Remuneration for Managing Director:

- i. At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. In determining the remuneration (including the fixed increment and performance bonus) the Nomination and Remuneration Committee shall ensure/consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by the Managing Director, the industry benchmarks and the current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance.

iv. Details of Remuneration:

The company pays remuneration to the Managing Director as approved by the members of the company in the general body meeting. The detail of remuneration paid to him during the year 2017-18 is given below:

(Amount in Rs.)

Name	Designation	Salary	Perks	Total
Mr. Kapil Kumar Jain	Chairman & Managing Director	9,00,000/-	10,85,765/-	19,85,765/-

The above appointment is on contractual basis. Non-Executive and Independent Directors have not been paid any remuneration during the year 2018-19.

D) Remuneration Policy for the Senior Management Employees:

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Senior Personnel) the Nomination and Remuneration Committee shall ensure/consider the following:

- a. the relationship of remuneration and performance benchmark is clear;
- b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- c. the remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance.

E) Performance Evaluation of Board:

During the financial year, formal annual evaluation of the Board, its committees and individual directors was carried out pursuant to the Board performance Evaluation Policy of the Company.

The performance of individual Directors (including Independent Directors) was evaluated by the Board and Nomination & Remuneration committee (excluding the Director being evaluated) after seeking inputs from all Directors on the basis of the criteria mentioned hereunder:

The framework of performance evaluation of the Independent Directors captures the following points:

1. Key-attributes of the Independent Directors that justify his/her extension/continuation on the Board of the Company;
2. Participation of the Directors in the Board proceedings and his/her effectiveness;
3. The assessment to determine the key attributes of the Directors should cover the following:

A separate meeting of Independent Directors was also held to evaluate and review the performance of Managing Director, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:
Composition and Attendance:-

The Stakeholders' relationship committee is constituted in line with the provisions of Section 178 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The compliance officer of this committee is Mr. Suresh Gupta. The objective of the Committee is to focus on the shareholders Grievance and to strengthen the investor relations on a periodical basis. The re-constituted Stakeholders' Relationship Committee comprises of the following directors:

Sr. No.	Name of Director	Name of Directorship	Designation in Committee
1.	Mr. Vijay Kumar Sharma	Non-Executive, Independent Director	Chairman
2.	Mr. Kapil Kumar Jain	Executive, Non-Independent Director	Member
3.	Mr. Suman Jain	Non-Executive, Independent Director	Member



Terms of reference:

The broad terms of reference of the stakeholders' relationship committee are as under:

1. To Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice/ annual reports etc. and all the securities holders' related matters.
2. To Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities etc.

Meetings and Attendance:

During the year 2018-19, Six meetings of the Stakeholders' Relationship Committee were held on 01.10.2018, 19.11.2018, 26.11.2018, 03.12.2018, 04.02.2019, and 11.03.2019. The detail of directors who attended these meetings is given as under:

Sr. No.	Name of Director	Position	Category	No. of Meetings Attended
1.	Mr. Vijay Kumar Sharma	Chairman	Non-Executive, Independent Director	6 out of 6
2.	Mr. Kapil Kumar Jain	Member	Executive, Non-Independent Director	6 out of 6
3.	Mr. Suman Jain	Member	Non-Executive, Independent Director	6 out of 6

Name, Designation & Address of Compliance Officer:

Mr. Suresh Gupta
Compliance Officer
Vallabh Steels Limited
Address: G.T. Road, Village Pawa,
Sahnewal, Ludhiana-141120, Punjab (India)
Telephone: +91-161-2511412-13
Fax: +91-161-2511414

Details of investor complaints received and redressed during the year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

IV. GENERAL BODY MEETINGS:

A. Annual General Meeting ("AGM"):

The details of last three Annual General Meetings (AGM) are as follows:-

Meeting	Day, Date & Time of Meeting	Venue	No. of Special Resolutions Passed
38th AGM, 2017-18	Saturday, 29.09.2018, 10:00 A.M.	G.T. Road, Village Pawa,	Nil
37th AGM, 2016-17	Thursday, 28.09.2017, 10:00 A.M.	Sahnewal, Ludhiana-	Nil
36th AGM, 2015-16	Thursday, 29.09.2016, 10:00 A.M.	141120, Punjab (India)	Nil

B. Extra Ordinary General Meeting ("EGM"):

No Extra-Ordinary General Meeting was held during the financial year 2018-19.

C. Postal Ballot:

No special resolution was passed through Postal ballot during the financial year ended 31st March, 2019. There is no immediate proposal for passing any resolution through postal ballot.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

V. OTHER DISCLOSURES:

i) Disclosure on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations during the financial year were on an arm's length price basis and in the ordinary course of business. These have been approved by the audit committee, Board of directors and members of the company. During the Financial Year 2018-19, the Company did not have any material pecuniary relationship or transactions with Independent and Non-executive Directors. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at www.vallabhsteelsltd.in.

- ii) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange or the Board or any statutory authority, on any matter related to capital markets, during the last three years:** Nil

- iii) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Company has established the necessary vigil mechanism as defined under regulation 22 of the SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. The mechanism provides for adequate safeguard against the victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the company has been denied access to the audit committee. The said policy has also been placed on the website of the company at www.vallabhsteelsltd.in.

- iv) **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirement of this clause:**

The Company has complied with all mandatory requirements of corporate governance and duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

- i. The auditors' report on statutory financial statements of the company does not contain any qualifications, observations or adverse remarks.

- v) **Web link where policy for determining material subsidiaries is disclosed:**

During the financial year 2018-19, the said clause was not applicable.

- vi) **Web link where policy on dealing with related party transactions:**

The said policy is available on the website of the company at www.vallabhsteelsltd.in.

- vii) **Disclosure of Commodity Price Risks and Commodity Hedging Activities:**

Not applicable

VI SUBSIDIARY/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary/Associate Company.

VII MEANS OF COMMUNICATION:

All important information relating to Company's financial performance, shareholding pattern, quarterly results, audited annual results, annual report etc. regularly posted on the Company's website at www.vallabhsteelsltd.in and have also been submitted to Stock Exchange to enable them to put them on their website and communicate to their members. The approved financial results are forthwith sent to the Stock Exchange and are published in a National English and Vernacular Newspapers.

VIII GENERAL SHAREHOLDERS INFORMATION:

- i. **39th Annual General Meeting:**

Date	:	28th September, 2019
Time	:	10:00 A.M.
Venue	:	G.T. Road, Village Pawa, Sahnewal, Ludhiana- 141 120 (Punjab)

- ii. **Financial Calendar:**

Financial Year	:	April 1st, 2019 to March 31st, 2020
First Quarter Results	:	14th August, 2019
Second Quarter Results	:	By middle of November, 2019
Third Quarter Results	:	By middle of February, 2020
Fourth Quarter and audited Annual Results 2019-20	:	In the month of May, 2020

- iii. **Date of Book Closure** : From Monday, the 23rd September, 2019 to Saturday, the 28th September, 2019 (both days inclusive)

- iv. **Dividend Payment Date** : No dividend has been recommended for the financial year 2018-19

- v. **Listing on Stock Exchange** : Equity Shares
BSE Limited ("BSE")
25th Floor, P.J. Towers, Dalal Street, Mumbai-400 001

- vi. **Stock Code** : 513397

- vii. **Corporate Identity Number** : L27109PB1980PLC004327

- viii. **Listing Fee** : Annual Listing Fee for the year 2019-20 has been paid to BSE within due date.

ix. Stock Market Data:-

The month wise highest & lowest closing prices vis-à-vis. BSE Sensex during the financial year 2018-19 are given as follows:

Financial Year 2018-19	Share Prices (In Rs.)		BSE Sensex	
	High	Low	Highest	Lowest
April, 2018	29.05	26.40	35213.30	32972.56
May, 2018	30.45	27.55	35993.53	34302.89
June, 2018	27.90	24.00	35877.41	34784.68
July, 2018	25.00	25.00	37644.59	35106.57
August, 2018	25.00	23.00	38989.65	37128.99
September, 2018	24.65	23.55	38934.35	35985.63
October, 2018	24.55	21.05	36616.64	33291.58
November, 2018	27.40	23.00	36389.22	34303.38
December, 2018	28.35	28.00	36554.99	34426.29
January, 2019	-	-	36701.03	35375.51
February, 2019	29.00	27.00	37172.18	35287.16
March, 2019	29.95	27.55	38748.54	35926.94

x. Share Transfer system:

The equity shares of the company are available for dematerialisation through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) is INE 457E01016.

M/s Mas Services Limited, having its office at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 is Registrar and Share Transfer Agents (RTA) which is a Common Agency for Physical and Electronic modes.

The dematerialised shares are directly transferred to the beneficiaries through the depositories. 44,84,693 equity shares comprising of 90.60% of the total equity shares of the company are in dematerialised form as on 31.03.2019. Out of a total of 3,113 shareholders 1,299 shareholders representing 41.73% have got their shares dematerialised as on 31.03.2019.

The process of transfer/transmission/transposition etc. of equity shares in physical form including dispatch of the share certificates is completed by RTA within the stipulated period prescribed in the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, from the date of receipt thereof if the documents are in order in all respects. The Stakeholders' Relationship Committee specifically looks into the redressal of shareholders complaints like transfer of equity shares and related matters.

xi. Distribution of Equity Shareholding as on 31.03.2019:

Shareholding (Number of Shares)	Shareholders		Shareholding	
	Number	% to total	Number	% of Total
Up to 500	2,916	93.67	3,65,068	7.38
501 to 1000	60	1.93	50,172	1.01
1001 to 2000	49	1.57	72,696	1.47
2001 to 3000	17	0.55	44,741	0.90
3001 to 4000	9	0.29	32,216	0.65
4001 to 5000	10	0.32	43,835	0.89
5001 to 10000	14	0.45	96,922	1.96
10001 and above	38	1.22	42,44,350	85.74
Total	3,113	100.00	49,50,000	100.00



xii. Shareholding Pattern as on 31.03.2019:

Category	Number of equity shares	% to total Shares
Promoters	33,37,900	67.43
Corporate Bodies	18,349	0.37
Indian Public	15,84,325	32.01
NRIs	9,426	0.19
Total	49,50,000	100.00

xiii. Registrar for Demat and Share Transfer:

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

Phone No. 011-26387281-83, Fax No. 011-26387384, E-Mail info@masserv.com

xiv. Investors Correspondence:

All queries of investors regarding the company's shares in physical form may be sent to the company at its Registered Office at Vallabh Steels Limited, G.T. Road, Village Pawa, Sahnewal, Ludhiana - 141 120, Phone no. 0161-2511412 Designated email address for investor services: fin.ho@vallabhgroup.com Website: www.vallabhsteelsltd.in OR to the Registrar for physical/demat modes at their above noted address.

xv. Plant Locations of the company:

G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120, Punjab, India. Phone No. : 0161-2511412, 2511413

G.T. Road, Village Nandpur, Sahnewal, Ludhiana-141 120, Punjab, India. Phone No. : 0161-2845299

IX COMPLIANCES UNDER ERSTWHILE LISTING AGREEMENT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with the provisions of the erstwhile Listing Agreement. Information, Certificates and returns as required under erstwhile Listing Agreement are sent to the Stock exchange within the prescribed time.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

X RECONCILIATION OF SHARE CAPITAL AUDIT:

As stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the company carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchange where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

XI CODE OF CONDUCT:

The members of the Board and Senior Management Personnel have affirmed the compliance with code applicable to them during the year ended 31st March, 2019. The annual report of the Company contains a certificate by the CFO and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from independent directors, non-executive directors and senior management.

XII CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have confirmed compliance with the Code.

XIII COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations, 2015 and the same is annexed to the Report.

DECLARATION:

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Vallabh Steels Limited's Code of Business Conduct and Ethics for the year ended 31st March, 2019.

FOR VALLABH STEELS LIMITED

Sd/-

**PLACE : LUDHIANA
DATED : 27.08.2019**

**CHAIRMAN & MANAGING DIRECTOR
DIN: 00755228**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

[Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, the undersigned, in our respective capacities of Managing Director and Chief Financial Officer of Vallabh Steels Limited ("the Company") to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and Cash Flow statement for the year ended on 31.03.2019 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violation of the Company's code of conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, wherever applicable:
 - a) That there were no deficiencies in the design or operation of internal controls which came to our notice;
 - b) That there were no significant changes in internal control over financial reporting during the year;
 - c) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - d) That there were no instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board of Directors

Place : Ludhiana
Dated : 27.08.2019

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

Sd/-
(Suresh Gupta)
Chief Financial Officer

AUDITORS' CERTIFICATE

(Regarding compliance of conditions of Corporate Governance)

To
The members of
Vallabh Steels Limited

We have examined the compliance of conditions of Corporate Governance by Vallabh Steels Limited for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KR Aggarwal & Associates
Chartered Accountants
FRN-030088N

Place : Ludhiana
Dated : 27.08.2019

Sd/-
(CA Vivek Aneja)
PARTNER
M. No. 544757

ANNEXURE- III TO THE DIRECTORS' REPORT
Form No. AOC-2

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

Form for disclosure of particulars of 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 arm's length transactions under third proviso thereto:

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

There were no such contracts or arrangements or transactions entered into during the year ended 31st March, 2019.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2019 are given in the financial statements.

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

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2018-19 (Amt. in Rs.)	% increase/decrease in Remuneration in the FY 2018-19	Ration of Remuneration of each Director/to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1.	Mr. Kapil Kumar Jain Chairman & Managing Director	19,85,765	5.94	12.95	Profit before tax decreased by 69.51%
2.	Mr. Vijay Kumar Sharma Non-Executive Independent Director	Nil	Nil	--	N.A.
3.	Mr. Suman Jain Non-Executive Independent Director	Nil	Nil	--	N.A.
4.	Mrs. Sunita Maggu Non-Executive Independent Director	Nil	Nil	--	N.A.
5.	Mr. Suresh Gupta Chief Financial Officer	2,64,180	--	N.A.	Profit before tax decreased by 69.51%
6.	Mrs. Chandni Jain Company Secretary	49,208	--	N.A.	N.A.

Note: * During the year Mrs. Chandni Jain has been appointed as Company Secretary and Compliance Officer of the company with effect from 12.12.2018.

ii) The median remuneration of employees of the Company during the financial year was Rs. 1,53,312/-.

iii) In the financial year, there was an increase of 17.71% in the median remuneration of the employees.

iv) There were 155 permanent employees on the rolls of the Company as on 31st March, 2019.

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

The Profit before Tax for the financial year ended 31st March, 2019 decreased by 69.51% whereas the increase in median remuneration was 17.71%. The average increase in median remuneration was in line with the basic inflation given to the employees.

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

The total remuneration of Key Managerial Personnel decreased by 21.88% from Rs. 29.43 lakhs in 2017-18 to Rs.22.99 lakhs in 2018-19, whereas the profits before tax decreased by 69.51% from Rs. 67.01 lakhs (2017-18) to Rs. 20.43 lakhs (2018-19).

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

Particulars	As on 31.03.2019	As on 31.03.2018	% increase/(decrease)
Share price (Rs.)	29.95	30.40	(1.48)
Market Capitalization (Rs. Lakhs):	1483	1505	(1.48)
Price-Earning Ratio	61.12	16.00	282
Net Worth (Rs. Lakhs):	3889	4420	(12.01)

The Company's shares are listed on BSE Limited.

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

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

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

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

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

Remuneration paid during the year ended 31.03.2019 is as per the Remuneration Policy of the Company.

**ANNEXURE- V TO THE DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN
FORM NO. MGT 9**

As on financial year ended on 31.03.2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27109PB1980PLC004327
2.	Registration Date	25-11-1980
3.	Name of the Company	Vallabh Steels Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	G.T. Road, Village Pawa, Sahnewal, Ludhiana-141120 (Punjab) Tel No. : 0161-2511412-13
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020, Tel No.: 011-26387281-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Galvanized Steel pipes	27204	36.18
2.	Cold rolled Steel Strips & Coils	27164	50.88
3.	GP Coil & Sheets	27171	12.94

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled	Nil
--	-----

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
(A) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/ HUF	1768000	0	1768000	35.72	1768000	0	1768000	35.72	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	1569900	0	1569900	31.72	1569900	0	1569900	31.72	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A)	3337900	0	3337900	67.43	3337900	0	3337900	67.43	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18378	1600	19978	0.40	14988	1600	16588	0.34	-0.06
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	425960	248807	674767	13.63	436268	241607	677875	13.69	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	683350	222100	905450	18.30	684350	222100	906450	18.31	0.01
c) Others (specify)									
Non Resident Indians	9930	0	9930	0.20	9426	0	9426	0.19	-0.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	1975	0	1975	0.04	1761	0	1761	0.04	0.00
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Bodies	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2):-	1139593	472507	1612100	32.57	1146793	465307	1612100	32.57	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1139593	472507	1612100	32.57	1146793	465307	1612100	32.57	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	4477493	472507	4950000	100.00	4484693	465307	4950000	100.00	0.00

B) Shareholding of promoters:-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1.	Vardhman Industries Ltd.	295000	5.96	0.00	295000	5.96	0.00	0.00
2.	Hind Leasing & Finance Ltd.	547400	11.06	0.00	547400	11.06	0.00	0.00
3.	Adhinath Investments Pvt. Ltd.	316000	6.38	0.00	316000	6.38	0.00	0.00
4.	Associated Leasing Ltd.	411500	8.31	0.00	411500	8.31	0.00	0.00
5.	Kapil Kumar & Sons (HUF)	230500	4.66	0.00	230500	4.66	0.00	0.00
6.	Rahul Jain & Sons (HUF)	150000	3.03	0.00	150000	3.03	0.00	0.00
7.	Vikram Jain & Sons (HUF)	92700	1.87	0.00	92700	1.87	0.00	0.00
8.	Kapil Kumar Jain	232000	4.69	0.00	232000	4.69	0.00	0.00
9.	Rahul Jain	280000	5.66	0.00	280000	5.66	0.00	0.00
10.	Vikram Jain	300200	6.06	0.00	300200	6.06	0.00	0.00
11.	Lata Jain	208000	4.20	0.00	208000	4.20	0.00	0.00
12.	Megha Jain	200000	4.04	0.00	200000	4.04	0.00	0.00
13.	Zarqa Jain	74600	1.51	0.00	74600	1.51	0.00	0.00
	Total	3337900	67.43	0.00	3337900	67.43	0.00	0.00

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):-

Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of Total Shares of the Company
1.	Shweta Amit Bhosale	253000	5.11	--	--	--	253000	5.11
2.	Subramanian P	132590	2.68	--	--	--	132590	2.68
3.	Ashok Jain	70000	1.41	--	--	--	70000	1.41
4.	S K Vig	40500	0.82	--	--	--	40500	0.82
5.	Arvind Kumar J Sancheti	37521	0.76	--	--	--	37521	0.76
6.	Nirvi Ketan Vakharia	37308	0.75	04.05.2018	1000	Purchase	38308	0.77
7.	Arvind Kumar Sancheti	37271	0.75	--	--	--	37271	0.75
8.	Surinder Kumar	32400	0.65	--	--	--	32400	0.65
9.	Ramesh Jain	32200	0.65	--	--	--	32200	0.65
10.	Raksha Jain	31000	0.63	--	--	--	31000	0.63

E) Shareholding of Directors and Key Managerial Personnel:-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Mr. Kapil Kumar Jain				
	At the beginning of the year	232000	4.69		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	--	--		
	At the end of the year			232000	4.69

V) INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3233.51	0.95	---	3234.46
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	3233.51	0.95	---	3234.46
Change in Indebtedness during the financial year				
* Addition	569.07	---	---	569.07
* Reduction	--	--	--	--
Net Change	569.07	---	---	569.07
Indebtedness at the end of the financial year				
i) Principal Amount	3802.58	0.95	---	3803.53
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	3802.58	0.95	---	3803.53

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Director (Amount in Rs. per annum)
		Mr. Kapil Kumar Jain
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,85,765
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--
2.	Stock Option	--
3.	Sweat Equity	--
4.	Commission	
	- as % of profit	--
	- others, specify	--
5.	Others, please specify	--
	Total	19,85,765
	Ceiling as per the Act	Rs. 36,00,000

B) Remuneration to Other Director:

The Company has not paid any remuneration to any other director during the year 2018-19.

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr. No.	Particulars of Remuneration	Mr. Suresh Gupta (Chief Financial Officer) (Amount in Rs. per annum)	Mrs. Chandni Jain* (Company Secretary) (Amount in Rs. per annum)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,64,180	49,208
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission		
	- as % of profit	--	--
	- others, specify	--	--
5.	Others, please specify	--	--
	Total	2,64,180	49,208

Note: * Mrs. Chandni Jain has been appointed as Company Secretary and Compliance Officer of the Company with effect from 12.12.2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year 2018-19, the company has not been found guilty for any offence. Hence it was not liable for any penalty, punishment under all Acts applicable to it.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 27.08.2019

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

**ANNEXURE- VI TO THE DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

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

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

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express our opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d) Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures followed by the company on test basis.
- e) While forming an opinion on compliance and issuing the secretarial audit report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the report.
- f) We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- g) 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.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the applicable provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; .
 - c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - vi. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
 - vii. All relevant laws applicable to the company as provided by the Management is hereunder:
 - a. Factories Act, 1948
 - b. Payment of Wages Act, 1936 and rules made thereunder,
 - c. The Minimum Wages Act, 1948 and rules made thereunder,
 - d. Employees' State Insurance Act, 1948, and rules made thereunder,
 - e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - f. The Payment of Bonus Act, 1965 and payment of Bonus (Amendment Act, 2015) and rules made thereunder,
 - g. Payment of Gratuity Act, 1972, and rules made thereunder,
 - h. Industrial Disputes Act, 1947
 - i. The Workmen's Compensation Act, 1923
 - j. The Contract Labour (Regulation & Abolition) Act, 1970
 - k. The Maternity Benefits Act, 1961 as amended.



- I. The Child Labour Prohibition and Regulation Act, 1986
 - m. The Apprentices Act, 1961
 - n. Environment (Protection) Act, 1986
 - o. Air (Prevention & Control of Pollution) Act, 1981
 - p. Water (Prevention & Control of Pollution) Act, 1974
 - q. Hazardous Waste (Management & Handling) Rules, 1989
 - r. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
 - s. Income Tax Act, 1961
 - t. Goods and Services Tax Act, 2017
 - u. Central Sales Tax Act, 1956
 - v. Octroi / Entry Tax
 - w. Electricity Payments (Indian Electricity Act, 2013)
 - x. Central Excise Act, 1944
 - y. Customs Act, 1962
2. We are informed that, for the financial year ended on 31st March 2019, the Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act:
- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
3. We have also checked/examined compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
4. During the period under review the Company has substantially complied with the provisions of the Acts, Rules, Regulations, Standards and Agreements mentioned under paragraph 1 above.
5. We report that we have not examined the Financial Statement, financial books and related Financial Acts like Income Tax, Value Added Tax, Sales Tax, Goods & Services Tax Act, ESIC, Provident Fund and Professional Tax etc. For these matters we rely on the report of Statutory Auditors for financial statement for the year ended 31st March, 2019.
6. We further report that
- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a Woman Director. 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 was given to all directors to schedule the Board Meetings. Notices of Board Meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent less than seven days before the meeting as there was no statutory requirement under the Act for the same.
 - iii. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - iv. As per minutes, the decisions at the Board meetings were taken unanimously.
 - v. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - vi. We further report that during the audit period there were no specific events/actions such as Public Issue of Securities, buy back, merger, amalgamation, foreign technical collaborations etc. or any other major decisions in pursuance of section 180 of the Companies Act, 2013 which require compliance of applicable provisions thereof.

For RCS & COMPANY
Company Secretaries

Date: 27.08.2019
Place: Ludhiana

Sd/-
(R.C. SINGAL)
Proprietor
FCS No. 903
C.P. No. 3154

**ANNEXURE-VII TO THE DIRECTORS' REPORT
SECRETARIAL COMPLIANCE REPORT OF
VALLABH STEELS LIMITED FOR THE YEAR ENDED 31st MARCH 2019
(Pursuant to SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019)**

To
The Members,
Vallabh Steels Limited
Village Pawa,
G T Road, Sahnawal,
Ludhiana

I, Raghubir Chand Singal, Prop. RCS & Co., Practicing Company Secretary (FCS No. 903 and CP No. 3154) have examined:

- (a) all the documents and records made available to us and explanations provided by Vallabh Steels Limited,
- (b) the filings/ submissions made by the Vallabh Steels Limited, to the stock exchanges,
- (c) website of the Vallabh Steels Limited,
- (d) any other document/ filing, as have found to be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of :
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
Not applicable during the period under review.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits Regulations, 2014;
Not applicable during the period under review.
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable during the period under review.
- (g) Securities and Exchange Board of India (Issue and Listing of Non - Convertible and Redeemable Preference Shares) Regulations, 2013;
Not applicable during the period under review.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of the matters specified below:-

Sr. No.	Compliance Requirement (Regulations /Circulars/ Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Appointment of Company Secretary as per Regulation 6(1) of SEBI (LODR) Regulations, 2015	During the financial year 2018-19, not appointed till 11.12.2018	It was observed that the Company has appointed Company Secretary and Compliance Officer w.e.f. 12.12.2018

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.



(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken E.g Fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
---	---	---	NONE	---

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the Previous reports	Observation made in the secretarial compliance report for the year ended--- (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
---	---	NOT APPLICABLE	---	---

This being the first reporting period since the notification of the requirements to submit the report, reporting on actions to comply with the observations made in the previous reports do not arise.

Sd/-
(RAGHUBIR CHAND SINGAL)
Prop.
RCS & COMPANY
FCS No. 903
CP No.: 3154

Place:Ludhiana
Date: 27/05/2019

**INDEPENDENT AUDITOR'S REPORT**

To

The Members of

VALLABH STEELS LTD,**Report on the Standalone Ind AS financial statements****Qualified Opinion**

We have audited the accompanying Standalone Ind AS financial statements of VALLABH STEELS LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion section of our report, the standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its Profit and Loss (including other comprehensive income), Cash Flow Statement and its statement of changes in equity for the year ended.

Basis for Qualified Opinion

- I. Trade Receivables includes, certain debtors in respect of which no provision has been made as per IND AS 109 on financial instruments by applying expected credit loss method on receivables for getting fair value of assets.
- II. Inventories have been taken as Certified by the management. We have not verified the same.

Emphasis of Matter

We draw attention to the following:

Trade receivables, Loan and Advances and Trade payables are subject to confirmation and reconciliation.

Key Audit Matters

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

We have determined the matter described below to be the key audit matter to be communicated in our report.

Company was having investment in Vallabh Textile Company Limited, Net worth of investee company was eroded in FY 2017-18 as well as investee company went into CIRP (Corporate Insolvency Resolution Process) in Financial Year 2018-19. Accordingly, the management has taken a decision to get the investment at its fair value considering the ongoing scenario of the investee company and its net worth. Hence, a loss of amounting Rs. 4,98,90,208/- was booked in the Current Year.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial statements

The Management and board of directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone 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, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility

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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) Except for the matters described in the Basis of Qualified Section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, except for the matters stated in the Basis of Qualified Section, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
 - d) Except for the matters stated in the Basis of Qualified Section, there is no any other observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
 - e) Except for the matters stated in the Basis of Qualified Section, there is no any other qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;



- f) In our opinion, except for the matters stated in the Basis of Qualified Section, the aforesaid standalone Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
- g) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "B"; and
- i) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For KR Aggarwal & Associates
Chartered Accountants
FRN-030088N

Place : Ludhiana
Dated : 30.05.2019

Sd/-
(CA Vivek Aneja)
PARTNER
M. No. 544757

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

- I. In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanation given to us the company has a regular program of physical verification of fixed assets by which all fixed assets are verified. However, no such report of physical verification of fixed assets done by the company has been provided to us.
 - c) According to information and explanation given to us, the title deeds of immovable Properties are held in the name of the company. However, none is made available to us as they are pledged with the financial institutions.
- II. In respect of Inventories: -
 - a) According to information and explanations given to us, the inventories have been physical verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. However, no such report was made available to us.
 - c) The company has maintained proper records of inventory. As explained to us, the discrepancies noticed on physical verification were not material. However, the discrepancies noticed have been properly dealt with in the books of account.
- III. According to the information and explanations given to us, the Company has granted secured or unsecured loans to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act which are outstanding at the year end.
 - a) Whether terms and conditions of the grant of such loan are not prejudicial to the company's interest?
 - b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments and receipts are regular?
 - c) If the amount is overdue, state the total amount overdue, state the total amount overdue for more than 90 days and whether reasonable steps have been taken by the company for recovery of principal?

In the absence of required information, we are not able to comment on the same. IND AS impact on such is not ascertainable.

- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- VI. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (I) of section 148 of the act and are of the opinion that prima facie, the prescribed accounts have been prepared and maintained. However, we have not made the detailed examination of records.
- VII. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.
According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues which have not been deposited on account of any disputes.
- VIII. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a banks and financial institution and also has not issued debentures during the year and has not taken any fresh loans or borrowings from Government.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- X. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is 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 to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

We have audited the internal financial controls over financial reporting of VALLABH STEELS LTD. as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's



policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with Authorizations of management and directors of the company; and (3) provide reasonable Assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KR Aggarwal & Associates
Chartered Accountants
FRN-030088N

Place : Ludhiana
Dated : 30.05.2019

Sd/-
(CA Vivek Aneja)
PARTNER
M. No. 544757


BALANCE SHEET AS AT 31st MARCH, 2019

PARTICULARS	NOTE	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3	2,201.97	1,844.18
b) Capital work in progress	4	-	167.28
c) Financial Assets			
i) Investments	5a	23.62	631.67
ii) Loans	5b	3.20	3.06
d) Other non-current Assets	6	25.16	25.30
		<u>2,253.95</u>	<u>2,671.49</u>
Current Assets			
a) Inventories	7	1,904.54	1,634.08
b) Financial Assets			
i) Trade Receivable	8a	4,182.62	3,980.88
ii) Cash and Cash Equivalents	8b	202.74	207.47
iii) Other Bank Balances	8c	-	15.67
iv) Loans	8d	0.61	2.75
c) Current tax Assets	9	5.25	70.77
d) Other current Assets	10	155.66	280.56
		<u>6,451.42</u>	<u>6,192.18</u>
Total Assets		<u>8,705.37</u>	<u>8,863.67</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	495.00	495.00
b) Other Equity			
i) Retained Earnings	12a	2,761.24	3,291.78
ii) Reserves	12b	632.75	632.75
		<u>3,888.99</u>	<u>4,419.53</u>
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	13a	425.39	530.14
ii) Other Financial Liabilities	13b	7.69	6.99
b) Provisions	14	22.70	26.43
c) Deferred tax Liabilities (net)	15	(12.32)	71.48
d) Other non-current Liabilities	16	1.50	0.75
		<u>444.96</u>	<u>635.79</u>
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17a	3378.14	2704.32
ii) Trade payables	17b	596.47	905.09
iii) Other Financial Liabilities	17c	119.00	91.00
b) Other current Liabilities	18	266.90	94.17
c) Provisions	19	10.91	13.77
		<u>4,371.42</u>	<u>3,808.35</u>
Total Equity and Liabilities		<u>8,705.37</u>	<u>8,863.67</u>

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

As per our separate report of even date attached

For **KR AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN: 030088N

Sd/-
(CA VIVEK ANEJA)
PARTNER

M. NO. 544757

Place : Ludhiana

Date : 30.05.2019

Sd/-
(CHANDNI JAIN)
Company Secretary

Sd/-
(KAPIL KUMAR JAIN)
Chairman & Managing Director
DIN: 00755228

Sd/-
(VIJAY KUMAR SHARMA)
Director
DIN: 01007456

Sd/-
(SURESH GUPTA)
Chief Financial Officer

For and on behalf of the Board


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31st MARCH, 2019

PARTICULARS	Note	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
I Revenue from Operations	20	11,686.74	14,267.68
II Other Income	21	2.39	9.73
III Total Income(I+II)		11,689.13	14,277.41
IV EXPENSES			
Cost of Materials Consumed	22	8,768.08	11,183.84
Change in inventories of finished goods, stock in trade and work-in-progress	23	(58.60)	(156.47)
Excise duty expense		-	475.06
Employee Benefit Expense	24	294.62	299.33
Finance Costs	25	343.98	333.82
Depreciation and Amortisation Expense	3	235.17	270.60
Other Expenses	26	2,085.45	1,804.22
Total Expenses(IV)		11,668.70	14,210.40
V Profit/(loss) before tax (III-IV)		20.43	67.01
VI Tax Expense			
(1) Current tax		4.92	12.83
MAT credit entitlement		(4.92)	(12.83)
(2) Deferred tax		(3.90)	(26.84)
VII Profit/(loss) for the period (V-VI)		24.33	93.85
VIII Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/ (losses) on defined benefit plans		7.31	4.30
B Items that will be reclassified to profit or loss			
(i) Net (loss)/gain on FVOCI equity securities		(554.71)	(141.90)
Total Other Comprehensive Income		(547.40)	(137.60)
IX Total Comprehensive Income for the period (VII+VIII)			
(Comprising Profit/ (Loss) and Other Comprehensive Income for the period)		(523.07)	(43.75)
X Basic and diluted earnings per equity share	30	0.49	1.90
(Face value of equity share of Rs. 10/- each)			
The accompanying notes are an integral part of these financial statements 1 to 39			

As per our separate report of even date attached

For **KR AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN: 030088N

Sd/-

(CA VIVEK ANEJA)

PARTNER

M. NO. 544757

Place : Ludhiana

Date : 30.05.2019

Sd/-

(CHANDNI JAIN)

Company Secretary

Sd/-

(KAPIL KUMAR JAIN)

Chairman & Managing Director

DIN: 00755228

Sd/-

(VIJAY KUMAR SHARMA)

Director

DIN: 01007456

Sd/-

(SURESH GUPTA)

Chief Financial Officer

For and on behalf of the Board


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Current Year 2018-19 (Rs. in Lacs)	Previous Year 2017-18 (Rs. in Lacs)
A. Cash Flow from Operating Activities :		
Net Profit before Tax	20.43	67.01
Adjustment for:		
Amortisation of Financial asset and liabilities	12.06	5.35
Loss on sale of Investment	-	1.31
Loss on sale of shares	-	10.25
Profit on sale of Fixed Assets	-	(0.04)
Profit on sale of land	-	(6.31)
Depreciation	235.17	270.60
Financial Costs	339.59	324.85
Remeasurement of defined benefit plan	(7.31)	-
Income tax adjustment of earlier year	-	(196.99)
Operating Profit before Working Capital Changes	599.94	476.03
Adjustment for:		
Trade and Other Receivables	(74.51)	949.45
Inventories	(270.47)	(207.73)
Trade and Other Payables	(121.58)	(398.34)
Cash Generated from operations	133.38	819.40
Direct Taxes Paid	(6.14)	9.15
Net Cash from Operating Activities	127.24	828.56
	A	
B. Cash Flow from Investing Activities :		
Payments of capital Goods	(425.68)	(168.98)
Sale of Fixed Assets	-	16.65
Purchase of Investment	-	(51.31)
Sale of investments	50.00	(10.25)
Net Cash from/(used in) Investing Activities	(375.68)	(213.89)
	B	
C. Cash Flow from Financing Activities		
Financial Expenses	(339.59)	(324.85)
Movement in Long Term Borrowings	(106.20)	(869.68)
Movement in Working Capital Borrowings	673.83	(427.32)
Net Cash from/(used in) Financing Activities	228.04	(1,621.85)
	C	
Net Change in Cash & Cash Equivalents (A+B+C)	(20.40)	(1,007.18)
Cash & Cash Equivalents at the beginning of the year	223.14	1,230.32
Cash & Cash Equivalents at the end of the year	202.74	223.14

As per our separate report of even date attached

For **KR AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN: 030088N

Sd/-

(CA VIVEK ANEJA)

PARTNER

M. NO. 544757

Place : Ludhiana

Date : 30.05.2019

Sd/-

(CHANDNI JAIN)

Company Secretary

Sd/-

(KAPIL KUMAR JAIN)

Chairman & Managing Director

DIN: 00755228

Sd/-

(VIJAY KUMAR SHARMA)

Director

DIN: 01007456

Sd/-

(SURESH GUPTA)

Chief Financial Officer

For and on behalf of the Board



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019

(Amount in Lacs)

(Amount in Lakhs)									
	Note	Attributable to the equity holders of the parent				Reserves and surplus			Total Equity
		Issued Capital	Share Forfeited	Retained Earnings	Revaluation Surplus	General Reserve	Capital Reserve	Securities Premium	
As at 1st April, 2017		495.00	-	3,532.57	-	457.14	-	175.61	4,660.32
Issue of share capital		-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-
Transactions with owners		495.00	-	3,532.57	-	457.14	-	175.61	4,660.32
Profit/(loss) for the period		-	-	93.85	-	-	-	-	93.85
Re-measurement gain/(Loss)		-	-	4.30	-	-	-	-	4.30
Other Comprehensive Income		-	-	(141.90)	-	-	-	-	(141.90)
Income tax adjustments of earlier year		-	-	(197.04)	-	-	-	-	(197.04)
Total comprehensive income		-	-	(240.79)	-	-	-	-	(240.79)
Grand Total as at 31st March, 2018		495.00	-	3,291.78	-	457.14	-	175.61	4,419.53
As at 1st April, 2018		495.00		3,291.78	-	457.14	-	175.61	4,419.53
Issue of share capital		-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-
Transactions with owners		495.00	-	3,291.78	-	457.14	-	175.61	4,419.53
Profit/(loss) for the period		-	-	24.33	-	-	-	-	24.33
Re-measurement gain/(Loss) on Defined benefit plan		-	-	7.84	-	-	-	-	7.84
Other Comprehensive Income		-	-	(554.71)	-	-	-	-	(554.71)
Income tax adjustments of earlier year		-	-	(8.00)	-	-	-	-	(8.00)
Transfer to General Reserve		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	(530.55)	-	-	-	-	(530.55)
Grand Total as at 31st March, 2019		495.00	-	2,761.24	-	457.14	-	175.61	3,888.99

As per our separate report of even date attached

For **KR AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN: 030088N

Sd/-

(CA VIVEK ANEJA)

PARTNER

M. NO. 544757

Place : Ludhiana

Date : 30.05.2019

Sd/-

(CHANDNI JAIN)

Company Secretary

Sd/-

(KAPIL KUMAR JAIN)

Chairman & Managing Director

DIN: 00755228

Sd/-

(VIJAY KUMAR SHARMA)

Director

DIN: 01007456

Sd/-

(SURESH GUPTA)

Chief Financial Officer

For and on behalf of the Board

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1. BACKGROUND

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

(I) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(II) Historical Cost Convention

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

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

(III) Rounding of amounts

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

b) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

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

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

Disclosures for valuation methods, significant estimates and assumptions

Quantitative disclosures of fair value measurement hierarchy

Investment in unquoted equity shares

Financial instruments

c) Current versus non-current classification

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

d) Property, plant and equipment

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

Depreciation methods, estimated useful lives and residual value

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

e) Impairment of Non-financial assets

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

f) Inventories

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

g) Borrowing costs

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

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

h) Provisions, Contingent liabilities and Contingent Assets

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

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

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

i) Foreign currency translation

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

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

j) Revenue recognition

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

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

Sale of goods

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

Revenue from Services

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

Other operating revenue - Export incentives

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

k) Income Tax

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

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

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

l) Cash and cash equivalents

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

m) Trade receivables

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

n) Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Other Financial Liabilities:

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

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

Impairment of financial assets:

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

De-recognition of financial assets:

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

o) Offsetting financial instruments

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

p) Employee benefits

i) Short term obligations

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

ii) Post-employment obligations

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

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

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

iii) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local Regulations. The Company has made further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

q) Segment reporting

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

r) Trade and other payables

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

s) Borrowings

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

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

t) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

Note: 2.1 CRITICAL ESTIMATES AND JUDGEMENTS

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation – Note 36

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(Rs. in Lacs)

3. PROPERTY, PLANT AND EQUIPMENT				DEPRECIATION CHART 2018-19							
	GROSS BLOCK				DEPRECIATION					NET BLOCK	
PARTICULARS	As at 01.04.2018	Additions	Sales/ Adjustment	As at 31.03.2019	As at 01.04.2018	For the Period	Sales Depreciation	Adjustment/ Written back	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land	430.00	-	0.55	429.45	-	-	-	-	-	429.45	430.00
Building	500.81	38.22	-	539.03	329.48	18.00	-	-	347.47	191.56	171.33
Plant & Machinery	5,737.38	555.29	-	6,292.67	4,499.07	216.66	-	-	4,715.73	1,576.94	1238.31
Furniture & Fixtures	31.52	-	-	31.52	29.03	0.37	-	-	29.40	2.12	2.49
Vehicles	47.01	-	-	47.01	44.96	0.14	-	-	45.11	1.90	2.05
Total	6,746.72	593.51	0.55	7,339.68	4,902.54	235.17	-	-	5,137.71	2,201.97	1,844.18
Capital Work in Progress	167.28	425.68	592.96	-	-	-	-	-	-	-	167.28
Grand Total	6,914.00	1,019.19	593.51	7,339.68	4,902.54	235.17	-	-	5,137.71	2,201.97	2,011.46
Previous Year	6,762.08	168.98	17.07	6,914.00	4,638.71	270.60	6.77	-	4,902.54	2,011.46	2,123.37


NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
4.	CAPITAL WORK-IN-PROGRESS		
	Building under construction	-	33.44
	Machinery under erection	-	133.84
	Total	-	167.28
4.a1	Capital Work-in-Progress includes project development expenditure, cost of construction materials, machinery, interest & other expenses.		
5A	INVESTMENTS		
(i)	Investment in Equity Instrument		
	Investments at fair value through OCI		
	Investments in others (Quoted)		
	Vardhman Industries Limited	14.27	71.12
	666600 (Previous Year 666600) Equity shares of face value of Rs. 10/- each.		
	DMC education limited	0.47	0.47
	67200 (Previous Year 67200) Equity shares of Rs. 5/- each.		
	L&T India Value Fund	-	29.17
	72699.779 units of Rs. 34.388		
	KOTAK Select Focus Fund	-	23.13
	81137.219 units of Rs. 30.812		
	Sub Total	14.74	123.89
(ii)	Investment in Equity Instrument		
	Investments at fair value through OCI		
	Investments in Others (Unquoted)		
	Associated Leasing Limited	8.88	8.88
	26000 (Previous Year 26000) Fully paid up Equity shares of Rs. 10/- each.		
	Vallabh Textiles Company Limited	-	498.90
	4649600 (Previous Year 4649600) Fully paid up Equity shares of Rs. 10/- each.		
	Sub Total	8.88	507.78
	Total (i+ii)	23.62	631.67
	1. Market Value of Quoted Investment	14.74	123.89
	2. Aggregate amount of Unquoted Investment	8.88	507.78
	3. Aggregate amount of Total Investment	23.62	631.67
5b	LOANS		
	(Unsecured, considered good)		
	Security Deposit	3.20	3.06
	Total	3.20	3.06
	Security Deposit includes electricity security and transporter security etc		
6	OTHER NON-CURRENT ASSETS		
	Capital Advances	24.87	24.87
	Prepaid Expense	0.29	0.43
	Total	25.16	25.30
	Capital Advances are towards Haryana State Industrial Development Corp.		


NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
7	INVENTORIES		
	(As taken, valued and approved by management)		
	Raw Materials	168.27	235.48
	Work-in-Progress	74.54	77.49
	Finished Goods	493.79	432.23
	Stores and Spares	1,167.94	888.88
	Total	1,904.54	1,634.08
8a	TRADE RECEIVABLES		
	Unsecured, considered good	4,182.62	3,980.88
	Total	4,182.62	3,980.88
8b	CASH AND CASH EQUIVALENTS		
	Balances with banks - current accounts	176.17	179.74
	Cash-in-Hand	26.57	27.73
	Total	202.74	207.47
8c	OTHER BANK BALANCES		
	Fixed deposit having original maturity more than 3 months but less than 12 months	-	15.67
	Total	-	15.67
8d	LOANS		
	Advances to employees	0.61	2.75
	Total	0.61	2.75
9	CURRENT TAX ASSETS		
	Income Tax	5.25	70.77
	Total	5.25	70.77
10	OTHER CURRENT ASSETS		
	Advances to suppliers	99.18	206.68
	Balance with government authorities	6.59	13.84
	Prepaid expenses	3.44	4.84
	Others	46.45	55.20
	Total	155.66	280.56
11	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and paid-up share capital and par value per share		
	Authorised		
	4950000 equity shares of Rs. 10 each	495.00	495.00
	Total	495.00	495.00
	Issued, subscribed and fully paid up		
	4950000 equity shares of Rs. 10 each	495.00	495.00
	(Amount originally paid up)	495.00	495.00
11.1	Reconciliation of the number of equity Shares outstanding :		
	At the beginning of the year	4950000	4950000
	Outstanding at the end of year	4950000	4950000
11.2	Terms/rights attached to equity shares :		
	The company has only one class of Equity Shares having face value of Rs.10/- each. Each holder of equity share is entitled to only one vote per share.		



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)		As at 31 March, 2018 (Rs. in Lacs)	
11.3	Detail of Shareholders holding more than 5% shares :				
	Name of the shareholders	As At 31 March, 2019		As at 31 March, 2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
	Mr. Rahul Jain	280000	5.66%	280000	5.66%
	Mr. Vikram Jain	300200	6.06%	300200	6.06%
	Mrs. Shweta Amit Bhosale	253000	5.11%	253000	5.11%
	M/s Vardhman Industrires Ltd	295000	5.96%	295000	5.96%
	M/s Adhinath Investments P. Ltd	316000	6.38%	316000	6.38%
	M/s Hind Leasing & Finance Ltd	547400	11.06%	547400	11.06%
	M/s Associated Leasing Ltd	411500	8.31%	411500	8.31%
12	OTHER EQUITY				
12a	RETAINED EARNINGS				
	Retained Earnings		2,761.24		3,291.78
			<u>2,761.24</u>		<u>3,291.78</u>
	Balance as per last Balance Sheet		3,291.78		3,532.57
	Add: Profit for the year		24.33		93.85
	Add: Remeasurement gain/(loss) on defined benefit plan		7.84		4.30
	Add: Other Comprehensive income		(554.71)		(141.90)
	Add: Ind AS Adjustments		-		-
	Less : Transfer to General Reserve		-		-
	Less : Income Tax adjustments of earlier years		(8.00)		197.04
			<u>2,761.24</u>		<u>3,291.78</u>
12b	RESERVES				
	General Reserve		457.14		457.14
	Securities Premium Reserve		175.61		175.61
			<u>632.75</u>		<u>632.75</u>
	Total		<u>3,888.99</u>		<u>4,419.52</u>
13a	BORROWINGS				
	From Banks				
	Term loans (Secured)		424.44		529.19
	From Others				
	Loans and advances from Related parties (Unsecured)		0.95		0.95
	Total		<u>425.39</u>		<u>530.14</u>
	There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.				
13a.1	Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities)as on 31 March, 2019				
	Terms of repayment of long term borrowings :				
	i) Terms of repayment of term loans*				
	As at 31st March, 2019 (Amt. in Lacs)	Repayment Period from origination (years)	Installment outstanding as on 31st March, 2019		
	543.44	3	No.	Periodicity	
			12	Quarterly	
	* Figures of term loan stated in para 13a.1 (i) includes current maturities of long term debt shown separately in Note no 17c and exclude Rs. 0.104 Lacs Transaction Cost amortised over the period of Term Loan.				
	Term loan of OBC is secured by first charge on the block of asset of the company & second charge on entire current assets situated at G.T. Road, Sahnewal, Ludhiana & personally guaranteed by a director of the company.				
	ii) Loans and advances from related parties will be paid after six years.				
13a.2	Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31st March, 2018. Terms of repayment of long term borrowings :				

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
i)	Terms of repayment of term loans*		
	As at 31st March, 2018 (Amt. in Lacs)	Repayment Period from origination (years)	Installment outstanding as on 31st March, 2018
	620.19	4	No. 16 Periodicity Quarterly
	* Figures of term loan stated in para 13a.2 (i) includes current maturities of long term debt shown separately in Note no 17c and exclude Rs. 1.56 Lacs Transaction Cost amortised over the period of Term Loan. Term loan of OBC is secured by first charge on the block of asset of the company & second charge on entire current assets situated at G.T. Road, Sahnewal, Ludhiana & personally guaranteed by a director of the company.		
	ii) Loans and advances from related parties will be paid after six years.		
13b	OTHER FINANCIAL LIABILITIES		
	Security Deposit	7.69	6.99
	Total	7.69	6.99
	Security Deposit includes security received from transporters and contractors.		
14	PROVISIONS		
	Provision for Gratuity	22.70	26.43
	Total	22.70	26.43
15	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liabilities	(12.32)	71.48
	Total	(12.32)	71.48
16	OTHER NON-CURRENT LIABILITIES		
	Deferred Income	1.50	0.75
	Total	1.50	0.75
17a	BORROWINGS		
	From Banks		
	Loans repayable on demand from PNB	3,378.14	2,704.32
	Total	3,378.14	2,704.32
17a.1	Working capital loans from banks are primarily secured by hypothecation of entire present and future tangible current asset of the company and personally guaranteed by a director of the company. It is further secured by second charge on block of assets of the company.		
17b	TRADE PAYABLES		
	Micro Small and Medium Enterprises	-	-
	Trade Payables	596.47	605.34
	Due to others	-	299.75
	Total	596.47	905.09
17b.1	The Company has not received any communication from all of its suppliers/service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Development Act, 2006. In the absence of any positive confirmation from the suppliers/service providers, the information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 could not be determined.		
17c	OTHER FINANCIAL LIABILITIES		
	Current Maturities	119.00	91.00
		119.00	91.00
18	OTHER CURRENT LIABILITIES		
	Statutory dues payables	29.54	2.95
	Advance from customers	26.46	7.52
	Deferred Income	0.75	2.25
	Others	210.15	81.45
	Total	266.90	94.17
19	PROVISIONS		
	Provision for Employee benefits	10.91	13.77
	Total	10.91	13.77
	Provision for employee benefit include short term liability for gratuity determined as per actuarial valuation		


NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
20	REVENUE FROM OPERATIONS		
a)	Sale of products	11,686.74	14,125.54
b)	Sale of services		142.14
	Total	11,686.74	14,267.68
21	OTHER INCOME		
a)	Interest income	0.14	0.13
b)	Rental Income	1.50	-
	Profit on sale of investment	-	(1.31)
	Profit on sale of Fixed Assets		6.36
	Others	0.75	4.55
	Total	2.39	9.73
22	COST OF MATERIALS CONSUMED		
	Opening stock	235.48	329.37
	Add : Purchases (Net)	8,700.88	11,089.95
	Less: Closing Stock	168.28	235.48
	Total	8768.08	11,183.84
23	CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK -IN-PROGRESS		
	Opening stock		
	Work-in-Progress	77.49	125.71
	Finished Goods / Stock in Trade	432.23	227.54
	Less: Closing Stock		
	Work-in-Progress	74.53	77.49
	Finished Goods / Stock in Trade	493.79	432.23
	Total	(58.60)	(156.47)
24	EMPLOYEE BENEFIT EXPENSE		
	Salary, Wages and other Allowances	257.68	265.27
	Staff Recruitment & Development expenses	0.39	
	Contribution to Provident and other funds	29.24	21.14
	Staff Welfare Expenses	7.31	12.92
	Total	294.62	299.33
25	FINANCE COST		
	Interest Expense	334.17	323.94
	Other Borrowings Cost	9.81	9.88
	Total	343.98	333.82
26	OTHER EXPENSES		
a)	Manufacturing Expenses		
	Consumption of Stores, consumables & spare parts	1,325.57	1,012.63
	Power and Fuel	486.67	526.63
	Machinery Repairs and Maintenance	56.92	55.60
	Other manufacturing expenses	29.50	21.49
	Sub-Total	1,898.66	1,616.35
b)	Administrative & Other Expenses		
	Rates & Taxes	7.59	9.84
	Insurance	1.79	2.71
	Legal & Professional Expenses	10.04	13.58
	Travelling & Conveyance	29.98	20.21
	Vehicle Repair & Maintenance	-	1.54
	Repairs and Maintenance	8.82	15.67
	Payment to Auditor	-	
i)	Audit Fees	2.00	2.00
ii)	In Other Capacity	-	-
iii)	Reimbursement of Expenses	0.44	0.24
	Charity & Donation	0.03	1.07

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
	Directors Remuneration	9.00	9.00
	Electricity & water charges	8.34	6.96
	Membership & subscription	0.19	0.24
	Printing & stationery	2.44	1.88
	Postage & telecommunication exp	3.38	3.28
	Miscellaneous Expenses	7.72	11.76
	Sub-Total	91.76	99.98
c.)	Selling Expenses		
	Forwarding and Octroi		78.67
	Commission & Brokerage	7.04	4.87
	Other Selling Expenses	87.99	4.35
	Sub-Total	95.03	87.89
	Total (a+b+c)	2,085.45	1,804.22
27	CONTINGENT LIABILITIES NOT PROVIDED FOR :		
	Letter of Credits in favour of suppliers and others Rs. 267.16 Lacs as at 31st March 2019 (as at 31st March, 2018 Rs. 500.25 Lacs.		
28	CAPITAL COMMITMENT		
	NIL		
29	IN THE OPINION OF THE MANAGEMENT THE CURRENT ASSETS AND LOANS AND ADVANCES HAVE A VALUE ON REALISATION IN THE ORDINARY COURSE OF BUSSINESS AT LEAST EQUAL TO THE VALUE AT WHICH THEY ARE STATED IN THE FOREGOING BALANCE SHEET, UNLESS OTHERWISE STATED.		
30	EARNINGS PER SHARE (EPS) (IND AS-33)	2018-19	2017-18
	Profit/(loss) after Tax (Rs. in Lacs)	24.33	93.85
	Weighted average no. of ordinary shares	4950000	4950000
	Weighted average no. of diluted shares	4950000	4950000
	Nominal value of ordinary share (Rs.)	10	10
	Basic / Diluted Earning Per Share (Rs.)	0.49	1.90
31	COMPANY OPERATES IN ONLY ONE SEGMENT VIZ IRON AND STEEL		
32	RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS-24 ISSUED BY THE ICAI ARE AS UNDER:		
(a)	Disclosure of Related Parties and relationship between the parties.		
	1. Key Management Personnel		
	a) Mr. Kapil Kumar Jain		
	b) Mr. Suresh Gupta		
	c) Mrs. Chandani Jain		
	2. Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control		
	a) Vardhman Industries Limited		
	b) Vallabh Textiles Co. Ltd.		
	c) JSW Vallabh Tinplate Pvt. Ltd.		
	d) Vallabh Steel West Private Limited		
	Nature of transaction with related party		
	Particulars	2018-19	2017-18
	Vardhman Industries Limited		
	Purchase	0.37	503.71
	Sales	4.09	10.38
	Guest House Rent received	1.62	-
	Expenses paid on behalf of VIL	0.13	-
	Receipts from VIL	3.86	-
	Vallabh Textiles Company Ltd		
	Purchase	0.18	1.98
	Sales	0.05	1.04
	Repayment of Loan received	4.52	110.59
	Payments by VTCL on our behalf	1.08	-
	Payments to VTCL	1.78	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
	JSW Vallabh Tinplate Pvt Limited		
	Purchase	315.26	33.39
	Sales	6632.15	10,719.30
	Job Work Charges	221.48	161.98
	Expenses paid by VSL	290.92	8.44
	Receipts	6460.43	-
	Vallabh Steel West Private Limited		
	Purchase	-	-
	Sales	-	-
	Expenses paid	0.24	-
	Payments	5.02	-
	Payments received	0.60	-

(b) Detail of transactions entered into with related parties during the year:		(Rs. In Lacs)	
Particulars	Key Management Personnel (KMP)	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control.	
	18-19	17-18	
Short Term Benefits	22.99	29.43	
Purchase of goods	-	-	315.81
Sales of Goods	-	-	6,636.29
Job Work Charges	-	-	221.48
Expenses paid by VSL	-	-	291.05
Loans	-	-	4.52
Receipts from VIL	-	-	3.86
Payments by VTCL on our behalf	-	-	1.08
Payments to VTCL	-	-	1.78
Receipts from VTPL	-	-	6460.43
Rent received	-	-	1.62
Expenses paid on West's behalf	-	-	0.24
Payments made on West's behalf	-	-	5.02
Payments received on West's behalf	-	-	0.60

Remuneration of KMP

Particulars	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
(i) Short Term Benefits	22.99	29.43
Total	22.99	29.43

33 EXPENDITURE IN FOREIGN CURRENCY
Value of Import on CIF basis

	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
(i) Raw Material	-	-
(ii) Capital Goods & Stores	-	8.35

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)		As at 31 March, 2018 (Rs. in Lacs)	
34	VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, CONSUMABLES, SPARE PARTS, COMPONENTS & STORE CONSUMED.				
	PARTICLARS	As at 31st March, 2019 (Rs. in Lacs) (%age)		As at 31st March, 2018 (Rs. in Lacs) (%age)	
	(i) Raw Material				
	Imported	-	-	-	-
	Indigenous	8768.08	100.00%	11183.84	100.00%
	ii) Consumables, Stores, Spares Parts & Components				
	Imported	-	-	-	-
	Indigenous	1325.57	100.00%	1012.62	100.00%

35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

Impairment of non-financial assets

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
36 POST RETIREMENT BENEFITS PLAN (IND AS 19)
Defined Benefit Plan

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

PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	28.92	31.16
Interest cost	2.24	2.41
Current service cost	5.46	4.93
Actuarial loss/(gain) - Experience Changes	(7.32)	-
Financial Assumption	-	0.04
Benefits paid	(4.40)	(5.28)
Present value obligation as at the end of the year	24.91	33.18
Breakup of Actuarial (gain)/loss:		
Actuarial (gain)/loss on arising from change in financial assumption		(0.41)
Actuarial (gain)/loss on arising from experience adjustment	(7.32)	(3.89)
Return on plan assets (greater)/less than discount rate		-
	(7.32)	(4.30)
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	(24.91)	(0.33)
Fair value of plan assets as at the end of the year	-	-
Net Asset/(Liability) in Balance Sheet	(24.91)	(0.33)
Amount recognized in the statement of profit and loss		
Current service cost	5.46	4.93
Interest cost	2.24	2.41
Interest Income on plan assets	-	-
(Income)/Expense recognised in the statement of profit and loss	7.70	7.34
Remeasurements recognised in the statement of Other		
Comprehensive Income (OCI)		
Experience Adjustments	(7.32)	(0.04)
Changes in Financial Assumptions	-	-
Return on plan assets (greater)/lesser than discount Rates	-	-
Net Loss /(Gain) recognised in other comprehensive income	(7.32)	(0.04)
Actuarial assumptions		
Discount rate	7.75%	7.75%
Salary Escalation Rate	5.00%	5.00%
Employee turnover Rate		
(18 to 30 Years)	5.00%	5.00%
(30 to 44 Years)	3.00%	3.00%
(44 to 60 Years)	2.00%	2.00%
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
	Sensitivity analysis for gratuity liability		
	The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :		
	Impact of the change in discount rate	2018-19	2017-18
	a) Impact due to increase of 1.00%	22.85	26.71
	b) Impact due to decrease of 1.00%	27.30	31.45
	Impact of change in salary Escalation Rate		
	a) Impact due to increase of 1.00%	27.35	31.49
	b) Impact due to decrease of 1.00%	22.78	26.64
	Impact of change in Employee turnover Rate		
	a) Impact due to increase of 1.00%	25.24	29.26
	b) Impact due to decrease of 1.00%	24.50	28.51
	The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.		
	Expected Future cash flow		
	The expected future cash flow in respect of gratuity as at 31st March, 2019 were as follows:		
	Expected contribution		
	The expected future employer contributions for defined benefit plan as at 31st March, 2019 is Rs. 7.22 Lacs (for the year ended 31st March, 2018 i.e. 6.47 Lacs)		
	Weighted average duration of defined plan obligation (based on discounted cash flow)		
	Gratuity	14 Years	12 Years
	The following are the expected future benefits payments for the defined benefit plan :		
	Description		
	March 31, 2019	-	2.90
	March 31, 2020	3.24	1.08
	March 31, 2021	0.70	2.72
	March 31, 2022	1.35	3.25
	March 31, 2023	1.20	1.72
	March 31, 2024	0.86	25.81
	March 31, 2024 onwards	25.98	-
	Current Liability (*Expected payout in next year as per schedule III of the companies Act 2013):		
	Period		
	Current Liability (Short Term)	2.21	2.49
	Non Current Liability (Long Term)	22.70	26.43
	Total Liability	24.91	28.92

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note	PARTICULARS	As at 31 March, 2019 (Rs. in Lacs)	As at 31 March, 2018 (Rs. in Lacs)
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37 FAIR VALUE MEASUREMENT
(a) Financial instruments by category and hierarchy

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

	As at 31st March, 2019 (Rs. in Lacs)			As at 31st March, 2018 (Rs. in Lacs)		
Particulars	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Equity instruments	-	23.62	-	-	631.67	-
Loans	-	-	3.20	-	-	3.06
Trade receivables	-	-	4,182.62	-	-	3,980.88
Cash and cash equivalents	-	-	202.74	-	-	207.47
Other Bank Balance	-	-	-	-	-	15.67
Loans	-	-	0.61	-	-	2.75
Total	-	23.62	4,389.17	-	631.67	4,209.83

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

	As at 31st March, 2019 (Rs. in Lacs)			As at 31st March, 2018 (Rs. in Lacs)		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities						
Borrowings	-	-	425.39	-	-	530.14
Security deposit	-	-	7.69	-	-	6.99
Current Borrowings	-	-	3378.14	-	-	2704.32
Trade payable	-	-	596.47	-	-	905.09
Current Maturities	-	-	119.00	-	-	91.00
Total	-	-	4526.69	-	-	4237.54

(b) Fair value hierarchy

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

	As at 31st March, 2019 (Rs. in Lacs)			As at 31st March, 2018 (Rs. in Lacs)		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Equity instruments	14.74	-	8.88	123.89	-	507.78
Total	14.74	-	8.88	123.89	-	507.78

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

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

Particulars	As at 31st March, 2019 (Rs. in Lacs)			As at 31st March, 2018 (Rs. in Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Security Deposit	-	-	3.20	-	-	3.06
Trade Receivables	-	-	4182.62	-	-	3980.88
Cash and cash equivalents	-	-	202.74	-	-	207.47
Other Bank Balances	-	-	0.00	-	-	15.67
Loans	-	-	0.61	-	-	2.75
Total	-	-	4389.17	-	-	4209.83

Particulars	As at 31st March, 2019 (Rs. in Lacs)			As at 31st March, 2018 (Rs. in Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities						
Borrowings	-	-	425.39	-	-	530.14
Security deposit	-	-	7.69	-	-	6.99
Current Borrowings	-	-	3378.14	-	-	2704.32
Trade payable	-	-	596.47	-	-	905.09
Current Maturities	-	-	119.00	-	-	91.00
Total	-	-	4526.69	-	-	4237.54

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3

c) Fair Value of Financial Assets and Liabilities measured at amortised cost

Particulars	As at 31st March, 2019 (Rs. in Lacs)		As at 31st March, 2018 (Rs. in Lacs)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Loans	0.61	0.61	2.75	2.75
Total	0.61	0.61	2.75	2.75
Financial Liabilities				
Borrowings	424.44	424.44	529.19	529.19
Other Financial Liabilities				
Security deposit	7.69	7.69	6.99	6.99
Total	432.13	432.13	536.18	536.18

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investment, loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

PARTICULARS	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
Variable rate borrowings	3921.58	3324.50

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

PARTICULARS	31st March, 2019 (Rs. in Lacs)	31st March, 2018 (Rs. in Lacs)
Increase by 50 basis points	(19.60)	(16.62)
Decrease by 50 basis points	19.60	16.62

b) Foreign currency risks

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

(B) Credit risk

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

Credit risk management

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

(i) Low credit risk on reporting date
(ii) Moderate credit risk
(iii) High credit risk

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
Financial Assets that expose the entity to Credit Risk:

PARTICULARS	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
Low credit risk on reporting date		
Cash and cash equivalents	202.74	207.47
Other bank balances	-	15.67
Trade receivables	4,182.62	3980.88
Investments	23.62	631.67
Security Deposits	3.20	3.06
Loans(current)	0.61	2.75
Moderate credit risk	-	-
High credit risk	-	-

Cash & Cash Equivalents and Bank Deposits:

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

Trade Receivables:

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

Gross carrying amount of Trade Receivables:

PARTICULARS	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
Ageing		
Not due		
0-180 days	4147.36	3935.56
more than 180 days	35.26	45.32

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods

PARTICULARS	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
Floating rate		
(a) Expiring within one year		
Secured		
Cash credit facilities	457.87	1132.00
(b) Expiring beyond one year (Bank loans)		
Secured		
Undrawn Rupees term loan from banks	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

PARTICULARS	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2019					
Contractual maturities of borrowings	3,536.58	175.00	210.00	-	3921.58
Loans and advances from related parties (Unsecured)	-	-	-	0.95	0.95
Contractual maturities of trade payables	596.47	-	-	-	596.47
Contractual maturities of security deposit received	-	-	-	7.69	7.69
Total	4133.05	175.00	210.00	8.64	4526.69

PARTICULARS	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2018					
Contractual maturities of borrowings	2820.50	294.00	210.00	-	3324.50
Loans and advances from related parties (Unsecured)	-	-	-	0.95	0.95
Contractual maturities of trade payables	905.09	-	-	-	905.09
Contractual maturities of security deposit received	-	-	-	3.06	3.06
Total	3725.59	294.00	210.00	4.01	4233.60

39 CAPITAL MANAGEMENT

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

PARTICULARS	As at 31st March, 2019 (Rs. in Lacs)	As at 31st March, 2018 (Rs. in Lacs)
Borrowings	3922.53	3325.46
Trade payables	596.47	905.09
Less: Cash and cash equivalents	202.74	207.47
Net debt	4316.26	4023.09
Equity	495.00	495.00
Capital and net debt	4811.26	4518.09
Gearing ratio	89.71%	89.04%

As per our separate report of even date attached

For **KR AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN: 030088N

Sd/-
(CA VIVEK ANEJA)
PARTNER

M. NO. 544757

Place : Ludhiana

Date : 30.05.2019

Sd/-
(CHANDNI JAIN)
Company Secretary

Sd/-
(KAPIL KUMAR JAIN)
Chairman & Managing Director
DIN: 00755228

Sd/-
(VIJAY KUMAR SHARMA)
Director
DIN: 01007456

Sd/-
(SURESH GUPTA)
Chief Financial Officer

For and on behalf of the Board

[illegible]



VALLABH STEELS LIMITED

Regd. Off.: G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120(Punjab), India,
CIN: L27109PB1980PLC004327 Tel.: +91-161-2511412-2511413, Fax: +91-161-2511414,
E-mail: fin.ho@vallabhgroup.com, website: www.vallabhsteelsltd.in

ATTENDANCE SLIP

I/ We hereby record my/ our presence at the 39th Annual General Meeting held on Saturday, the 28th day of September, 2019 at 10.00 a.m. at Registered Office of the Company at G.T. Road, Village Pawa, Sahnewal, Ludhiana.

Name of the member(s):

D.P. ID*:

Client ID*:

Registered Address:

Folio No.:

No. of Share(s) held:

Sr. No.	Resolution	I/ We assent to the Resolution	I/ We dissent to the Resolution
		For**	Against**
Ordinary Business:			
1.	To receive, consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2019.		
2.	To appoint a Director in place of Mr. Kapil Kumar Jain, who retires from the office by rotation and being eligible, offers himself for re-appointment as Director of the Company.		
Special Business:			
3.	To consider and ratify the Remuneration of Cost Auditors of the Company for the financial year ending 31st March, 2020.		
4.	To consider and approve the appointment of the Secretarial Auditors of the Company for the financial year 2019-20.		
5.	To consider and approve reappointment of Mr. Kapil Kumar Jain as Chairman and Managing Director of the Company:		

(SIGNATURE OF SHAREHOLDER/ PROXYHOLDER) _____

Notes:

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

*Applicable for investors holding shares in electronic form.

** Please tick anyone.



VALLABH STEELS LIMITED

Regd. Off.: G.T. Road, Village Pawa, Sahnewal, Ludhiana-141 120(Punjab), India,
CIN: L27109PB1980PLC004327 Tel.: +91-161-2511412-2511413, Fax: +91-161-2511414,
E-mail: fin.ho@vallabhgroup.com, website: www.vallabhsteelsltd.in

Form No. MGT-11

PROXY FORM

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

Name of the member(s):

D.P. ID*:

Client ID*:

Registered Address:

Folio No. :

No. of Share(s) held:

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

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

as my/ our proxy to attend and vote for me/ us on my/ our behalf at the 39th Annual General Meeting of the Company to be held on Saturday, the 28th day of September, 2019 at 10.00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	I/ We assent to the Resolution	I/ We dissent to the Resolution
		For**	Against**
Ordinary Business:			
1.	To receive, consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2019.		
2.	To appoint a Director in place of Mr. Kapil Kumar Jain, who retires from the office by rotation and being eligible, offers himself for re-appointment as Director of the Company.		
Special Business:			
3.	To consider and ratify the Remuneration of Cost Auditors of the Company for the financial year ending 31st March, 2020.		
4.	To consider and approve the appointment of the Secretarial Auditors of the Company for the financial year 2019-20.		
5.	To consider and approve reappointment of Mr. Kapil Kumar Jain as Chairman and Managing Director of the Company:		

Signed this _____ day of September, 2019.

Signature _____

Affix
Revenue
Stamp

Notes:

(i) A Member entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & vote on poll instead of himself/ herself.

(ii) The proxy form duly signed across the revenue stamp of Re. 1/- should reach the Company's Regd. Office at least 48 hours before the scheduled time of the meeting.

* Applicable for investors holding shares in electronic form.

** Please tick anyone.

VENUE OF 39TH AGM OF VALLABH STEELS LIMITED

AT REGISTERED OFFICE AT
G.T. Road, Village Pawa, Sahnewal, Ludhiana-141120
10:00 A.M., 28/ 09/ 2019

