

QUALITY FOILS (INDIA) LIMITED

2023



ANNUAL REPORT

For the Financial Year 2022-23

www.qualitygroup.in



QUALITY FOILS (INDIA) LIMITED

Formerly known as Quality Foils (India) Pvt. Ltd.
(An ISO 9001:2008 Certified Company)

3, Industrial Development Colony, Hisar-125 005, Haryana

Tel: 0091 – 1662 – 220327, 220328

E-mail: contactus@qualityfoils.com; Website: www.qualityfoils.com

CIN: U27107HR1990PLC030929

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD (33RD) ANNUAL GENERAL MEETING (AGM) OF QUALITY FOILS (INDIA) LIMITED WILL BE HELD ON THURSDAY, AUGUST 10TH 2023 AT 09:30 A.M. AT ITS REGISTERED OFFICE AT 3 – INDUSTRIAL DEVELOPMENT COLONY, HISAR-125 005, (HARYANA), TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the **Audited Financial Statement** of the company for the financial year ended on March 31, 2023 including the Balance Sheet as at March 31, 2023 the Statement of Profit and Loss Accounts and Cash flow statement for the year ended on that date along with reports of the Board of Director's and the Auditor's thereon.
2. To appoint a Director in place of Mr. Kuldip Bhargava (DIN- 00011103), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

To ratify the remuneration of the Cost Auditor

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 148 and all 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 thereof, for the time being in force), the remuneration of Rs. 35,000/- (Rupees thirty-five thousand only) plus applicable taxes and reimbursement of actual travel and out of pocket expenses, to be paid to **M/s N. R. Goyal & Co., Cost Accountants (Firm Registration No. 101252)**, to conduct the audit of cost records of the Company, for the financial year 2023-24 be and is hereby ratified.”

**By the order of Board
For Quality Foils (India) Limited**

Registered Office:

3 – Industrial Development Colony,
Hisar-125 005, Haryana, India.

Date: July 5, 2023

Place: Hisar

**Sd/-
(Meenakshi)
Company Secretary & Compliance Officer**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING A PROXY, DULY COMPLETED, MUST BE RECEIVED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE OF THE COMPANY IN ORDER TO MAKE THE PROXIES EFFECTIVE.

A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights, as applicable. A member holding more than 10 percent of the total share capital of the Company and 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. Proxy form and attendance slip are enclosed with the Notice. Members / Proxies / Authorized Representatives should bring their Attendance Slip duly filled in for attending the meeting.

Proxy holder shall carry his valid identity proof (Aadhaar Card, Driving License, Voter ID Card, Passport, PAN Card) in order to prove his identity.

2. The route map of the venue of the meeting is annexed towards the end of this Notice hereto.
3. All the members are requested to follow proper physical distancing, cleanliness and sanitize themselves before entering into the venue.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
5. Members can inspect proxies lodged with the Company during the period from 24 hours before the meeting to the conclusion of the meeting by giving notice, in writing, at-least three days in advance.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto and the same should be taken as part of this Notice.
8. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 regarding Director seeking appointment at the meeting are provided as an **Annexure A** hereto.

9. All documents referred to in the Notice along with Register of Directors and Key Managerial Personnel & their Shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and Arrangements, maintained under Section 189 of the Companies Act, 2013 in which Directors are interested are available for inspection at the Registered Office of the Company during business hours on working days up to the date of the AGM.
10. Members holding shares in dematerialized form are requested to update the details pertaining to their shareholding such as change of address/name, bank details, ECS mandate, nominations, power of attorney etc. with their Depository Participants. However the members who hold shares in physical form may write to the Company Secretary at 3- Industrial Development Colony, Hisar-125005, Haryana or RTA at M/s. Bigshare Services Pvt. Ltd., Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves, Road, Andheri (East), Mumbai - 400059, India, Tel.: +91 22 62638200, Fax: +91 22 62638299, Email: ipo@bigshareonline.com
11. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.
12. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
13. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules made there under and Regulation 36 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Notice of Annual General Meeting will be sent by electronic mode only to the members whose e-mail addresses are registered with the Company / Depository Participant(s). Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including the Notice of Annual General Meeting from the Company, electronically. **The Notice of the AGM along with the Annual Report for the F/Y 2022-23 will also be available on the Company's website: www.qualitygroup.in**
14. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
15. Members may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also made it mandatory for submission of PAN in the

following cases: (i) Deletion of name of the deceased member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares. Further, the Members are requested to kindly note that as per SEBI circular bearing no SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN. Members are requested to provide Form ISR1, ISR2, Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to RTA for registration against their respective folio(s) :

- Identity Proof: Copy of PAN Card/ Aadhar Card
- Address Proof: Copy of Aadhar Card/ Passport/ Client Master List/ Utility Bill not over 3 months old
- Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder
Contact Details: Mobile no., email ID
- Nomination : Please provide Form SH13 duly filled and signed to RTA.

In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment as per the direction under the aforesaid Circular.

16. Voting through electronic means

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by 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 the members a facility to exercise their right to vote on the resolution proposed to be considered at the Annual General Meeting (“AGM”) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (‘remote e-voting’).
- ii. The facility for voting through ballot paper system shall also be made available at the venue of the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through above voting system.
- iii. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- iv. The Company has engaged the services of M/s **Bigshare Services Private Limited (hereinafter called the “RTA”)** as the Agency to provide e-voting facility.
- v. The Board of Directors has appointed **Mr. Rajesh Garg, Practicing Company Secretary (Membership No. 5960)**, as Scrutinizer to scrutinize the remote e-voting and voting at

the meeting in a fair and transparent manner.

- vi. 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 i.e. Thursday, August 3rd, 2023 shall be entitled to vote. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date.
- vii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, August 3rd, 2023.
- viii. Any person, who become a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Thursday, August 3rd, 2023 may obtain the login ID and password by sending a request at ivote@bigshareonline.com
- ix. The remote e-voting period commences on Monday, August 07, 2023 (9:00 am) and ends on Wednesday, August 09, 2023 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 3rd, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by RTA for voting thereafter.
- x. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than two days of conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company at www.qualitygroup.in and on the website of e-voting service provider Bigshare Services Private Limited at <https://ivote.bigshareonline.com>. The results shall simultaneously be communicated to the Stock Exchange.
- xi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e. August 10, 2023.
- xii. In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.
- xiii. The process and manner for remote e-voting are as under:

How do I vote electronically using Bigshare i-Vote E-Voting System ?

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

Step 1: Access to Bigshare i-Vote E-Voting System

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

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After

	<p>successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

B) Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.

- Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

***Note:** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password?**
 - Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.
- (In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).*

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "**VOTE NOW**" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

1. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
 - Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
 - Enter all required details and submit.
 - After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.
- NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
 - Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.
- (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.
- Note:** The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).

- Custodian can “CHANGE PASSWORD” or “VIEW/UPDATE PROFILE” under “PROFILE” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

Process for those members whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA i.e. nichetechpl@nichetechpl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 Digit Beneficiary ID), Name, Client Master or Copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained in step 1(A).
3. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No.: 3

The Board of Directors (Board) in its meeting held on August 12, 2022 has appointed M/s. N. R. Goyal & Co., Cost Accountants, having Firm Registration no. 101252 with the Institute of Cost Accountants of India, as the Cost Auditors of the Company to audit the cost records of the Company for the financial year 2023-24 at a remuneration of Rs. 35,000 plus applicable taxes and reimbursement of actual travel and out of pocket expenses. The appointment and remuneration was made on the recommendation of Audit Committee of the Company. Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditor shall be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24.

The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members.

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested in the Resolution set forth in Item No. 3.

**By the order of Board
For Quality Foils (India) Limited**

Registered Office:

3 – Industrial Development Colony,
Hisar-125 005, Haryana, India.

Date: July 05, 2023

Place: Hisar

Sd/-
(Meenakshi)
Company Secretary & Compliance Officer

Annexure A

Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India for item no. 3 is as under:

Brief profile and details of Mr. Kuldip Bhargava, Chairman cum Director, who is liable to retire by rotation and eligible for re-appointment, are as under:

Name of Director	Mr. Kuldip Bhargava
DIN	00011103
Brief Resume	<p>Mr. Kuldip Bhargava, born in Hisar, Haryana, India on April 22, 1953 comes from a highly illustrious family of Hisar, Pt Thakur Das Bhargava.</p> <p>His grandfather and known advocate of northern region; was also a Member of Parliament. His grand uncle – Dr. Gopi Chand Bhargava was the first premier/Chief Minister of combined Punjab & Haryana. His father – Shri A P Bhargava – himself was an engineer having completed his education from Lahore University and was the first elected President/ Municipal Commissioner of Municipal Committee of Hisar, Haryana and he had established the first small scale iron & steel industry in Hisar namely, East Punjab Mfg. Co – a grey iron foundry.</p> <p>After his education Mr. Kuldip Bhargava joined his father at an early stage and later on started his own career in the manufacturing of cold rolled steel and later on stainless steel - Quality Foils (India) Pvt Ltd in May 1990. Mr. Kuldip Bhargava is one of the promoters and Chairman of Quality Group of companies comprising of Quality Foils (India) Ltd. and Quality Stainless Pvt Ltd, manufacturing Cold Rolled Stainless Steel Precision Strips & Coils; Stainless Steel Welded as well as Seamless Tubes & Pipes and Stainless-Steel Flexible Hose, Assemblies & Bellows.</p> <p>He is well regarded for his diligence and far-sighted approach for the overall growth of the stainless-steel industry.</p> <p>He is currently the president of Hisar Industries Association, Hisar, Haryana. He remained as Independent Director of Jindal Saw Ltd. for many years and various other companies.</p> <p>He is also a member of the family trust which is running CBSE affiliated school in Hisar which also render free education to economically weaker students and also medical help for the needy.</p>

	<p>He also spends lot of time in improving the overall environment in and around his industrial units in Hisar.</p> <p>Mr. Kuldip Bhargava is a God fearing individual and carries the rare quality of patient hearing and helping not only the employees / workmen working in his group of companies but for the needy in general.</p>
Date of Birth (Age in years)	April 22, 1953 (70 years)
Qualification	BA
Experience and expertise in specific functional area	Expertise in Stainless Steel sector.
Terms and conditions of appointment	<p>The present resolution seeks approval of the Members for reappointment of Mr. Kuldip Bhargava, Chairman cum Director as a Director liable to retire by rotation.</p> <p>Please note that the terms and conditions of appointment of Mr. Kuldip Bhargava as Director has already approved by the board in their board meeting by passing necessary resolution.</p>
Details of remuneration to be sought and remuneration last drawn	The remuneration of Mr. Kuldip Bhargava, Director of the Company was approved by the members at the Extra-ordinary General Meeting held on 12 th November, 2022.
Date on which first appointed on the Board	08 th May, 1990
Details of shareholding in the Company 31st March, 2023	622800 equity shares of face value of Rs. 10/- each.
Relationship with other Directors/Key Managerial Personnel ("KMP") (if any)	Mr. Tejasvi Bhargava, Managing Director of the Company, is the son of Mr. Kuldip Bhargava. He is not related to any other Director/ KMP of the Company.
Number of Board Meetings attended during the year 2022-23.	12 (Twelve)
Details of Directorships /	Nil

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

Committee Chairmanship and Memberships in other public limited companies (As on March 31, 2023)	
Name of the listed entities from which the director has resigned during the past three years	Nil

Date: July 5, 2023
Place: Hisar

By order of the Board
For Quality Foils (India) Limited

Sd/-
Meenakshi
Company Secretary & Compliance Officer

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 Company: Quality Foils (India) Limited

CIN: U27107HR1990PLC0309295

Regd. Office: 3 – Industrial Development Colony, Hisar – 125005, Haryana, India.

Ph: 01662- 220327, 28; **E-mail:** contactus@qualityfoils.com ; **Website:** www.qualitygroup.in;

Name of the member(s):	
Registered address:	
Email Id.:	
Folio No. / Client Id:	
DP Id.:	

I / We, being the member(s) of shares of the above name company, hereby appoint

1. Name:
Address:

Email Id.:Signature:

Or failing him/her

2. Name:
Address:

Email Id.:Signature:

Or failing him/her

3. Name:
Address:

Email Id.:Signature:

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on **Thursday, August 10, 2023 at 09:30 A.M.** at the registered office of the Company at 3 - Industrial Development Colony, Hisar-125005, Haryana, India and at any adjournment thereof in respect of such resolution as is indicated below:

Sr. No.	Resolution	For	Against
1	To receive, consider and adopt the balance sheet as at march 31, 2023 and profit and loss account for the year ended march 31, 2023 on that date along with the report of directors and auditors thereon.		
2	Agenda for re-appointment of director retiring by rotation.		
3	Ratification of Cost Auditors' remuneration.		

Signed this..... day of, 2023

Affix
Revenue
Stamp

.....
Signature of shareholder

.....
Signature of Proxy holder(s)

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy, to be effective should be duly completed deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. Please put a (✓) in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. This is only optional.

QUALITY FOILS (INDIA) LIMITED

CIN: U27107HR1990PLC0309295

Registered Office: 3 – Industrial Development Colony, Hisar – 125005, Haryana, India

Ph: 01662- 220327, 28; E-mail: contactus@qualityfoils.com ;

Website: www.qualitygroup.in

Attendance Slip

Registered Folio / DP ID & Client ID	
Name of Shareholder	
Address of Shareholder	
Number of Shares held	

I/We, hereby record my/our presence at the 33rd Annual General Meeting of the Company to be held on **Thursday, August 10, 2023 at 09:30 A.M.** at its registered office at 3 – Industrial Development Colony, Hisar-125 005, (Haryana).

Signature of Shareholder / Proxy Present:.....

Note:

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting.
3. Each equity share of the Company carries one vote.
4. Please read carefully the instructions printed overleaf before exercising the vote.

Form No. MGT-12
Polling Paper

**[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c)
of the Companies (Management and Administration) Rules, 2014]**

Name of the Company: Quality Foils (India) Limited

Registered office: 3 – Industrial Development Colony, Hisar – 125005, Haryana.

CIN: U27107HR1990PLC0309295

Name of the First Named Shareholder (in block letters):	
Postal address:	
Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
Class of Shares	

I hereby exercise my vote in respect of Ordinary and Special businesses enumerated in Notice of **33rd Annual General Meeting** of the Company, to be held on the **10th day of August, 2023** at **09:30 a.m.** at Registered Office of the Company at 3 – Industrial Development Colony, Hisar – 125005, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Item	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1	To receive, consider and adopt the balance sheet as at march 31, 2023 and profit and loss account for the year ended march 31, 2023 on that date along with the report of directors and auditors thereon.			
2	Agenda for re-appointment of director retiring by rotation			
3	Ratification of Cost Auditors' remuneration.			

Place:

Date:

(Signature of shareholder)

ROUTE MAP

Venue of the 33rd Annual General Meeting of Quality Foils (India) Limited to be held on Thursday, August 10, 2023 at 09:30 A.M. at its registered office at 3 – Industrial Development Colony, Hisar-125 005, (Haryana).



DIRECTORS' REPORT

**TO
THE MEMBERS,**

Your Directors have pleasure in presenting the 33rd Directors' Report on the business and operations of your Company together with the audited statement of accounts for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2023 is summarized below:

(Rs. in Lakhs)

PARTICULARS	31.03.2023	31.03.2022
Sales/Others receipts	18694.45	18030.64
Profit before depreciation and Taxation	535.39	369.98
Less: depreciation	152.60	148.33
Profit after depreciation	382.79	221.65
Less: Provision for Taxation		
Income Tax on extraordinary items	35.43	-
Current Year	63.48	57.24
Deferred Tax	-34.97	5.99
Previous Year Tax	-0.02	0.42
Profit after Taxation	318.87	158.00
Add: Profit brought forward	1495.26	1337.26
Less: Transfer to General Reserve	70.00	-
Profit available for appropriation	1744.13	1495.26
Dividend & Tax on dividend	-	-
Surplus carried to Balance Sheet	1744.13	1495.26

COMPANY'S BUSINESS GROWTH AND PROSPECTS

The total income for the financial year 2022-23 has increased to Rs. 18694.45 Lakhs, as against Rs. 18030.64 Lakhs in the previous year, and the profit after tax has increased to Rs. 318.87 Lakhs in the financial year 2022-23, from Rs. 158 Lakhs in the financial year 2021-22.

DIVIDEND

In terms of the Dividend Distribution Policy of the Company and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), equity shareholders of the Company may expect dividend if the Company is having surplus funds and after taking into consideration the

relevant internal and external factors as mentioned in the said Policy. Accordingly, considering the cash position, fund requirements for growth of business of your Company and agreement with the Lenders, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2023.

The Dividend Distribution Policy is available on Company's website at the following link: <https://www.qualitygroup.in/wp-content/uploads/2023/01/DIVIDEND-DISTRIBUTION-POLICY.pdf>

TRANSFER TO RESERVES

During the reporting financial year, the company has transferred Rs. 70.00 Lakhs to General Reserve for issuing Bonus Shares to the existing shareholders of the company.

SHARE CAPITAL

During the financial year 2022-23, the Authorize shared Capital of the Company was increased from Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 4,00,00,000 /- divided into 40,00,000 Equity Shares of Rs. 10/- vide shareholders' resolution dated November 12, 2022.

The company increased its paid up share capital from Rs. 140 Lakh to Rs. 210 Lakhs by issuing Bonus shares in the ratio of 1:2 to its existing shareholders, as per the special resolution passed in the EGM held on 12th November, 2022. Subsequently, the paid up share capital further increased to Rs. 285.4 Lakh as the company issued and allotted shares in its initial public offer, following the resolutions passed by the shareholders on 19th December, 2022 and 21st March, 2023 respectively.

CHANGE IN NATURE OF BUSINESS

There was no change in nature of business during the year under review.

DEPOSITS

As per Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rule, 2014, your company did not accept any new deposit in the financial year ending on 31.03.2023. However, the company renewed some of the existing deposits during the year. Your company also repaid all the outstanding deposits by 30th June, 2023.

The details relating to deposits, covered under Chapter V of the Act are provided hereunder:

1. Accepted during the year: Nil
2. Remained unpaid or unclaimed as at the end of the year: Rs. 1,50,00,000/-

3. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: - **no default has been made and hence these details are not applicable:**

- a) at the beginning of the year: Not Applicable
- b) during the year: Not Applicable
- c) at the end of the year: Not Applicable
- d) The details of deposits, not in compliance with the requirements of Chapter V of the Act: Nil

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the period under review, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). Therefore, this clause is not applicable on Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments by your Company, as required under Section 186 of the Act are stated in Notes to Accounts of the financial statements, forming part of the Annual Report.

INTERNAL FINANCIAL CONTROL

The company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism & Whistle Blower Policy to report genuine concerns or grievances. The Vigil Mechanism & Whistle Blower Policy has been posted on the Company's website which may be accessed on the Company's website at the link:

<https://www.qualitygroup.in/wp-content/uploads/2023/05/Vigil-Mechanism-Policy.pdf>

RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Company has also devised a Risk Management Policy for identification of elements of risks and procedures for reporting the same to the Board.

COVID-19 IMPACT

The Company is closely monitoring the impact of the COVID-19 pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure A** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134 (5) of Companies Act, 2013 the Board of Directors confirms that:

- 1) in the preparation of the annual accounts for the year ended March 31, 2023 the applicable Indian accounting standards (IND-AS) read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES REFERRED TO IN SUB SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website. All related party transactions entered into during FY 2022-23 were on an arm's length basis and in the ordinary

course of business.

The disclosure as required under Section 134(3) (h) of the Act in form AOC-2, of related party transactions entered during the financial year 2022-23, is provided in **Annexure B** to this report.

The Policy on materiality of related party transactions may be accessed on the Company's website at the link: <https://www.qualitygroup.in/wp-content/uploads/2023/01/POLICY-ON-DEALING-WITH-RELATED-PARTY-TRANSACTIONS.pdf>

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Kuldip Bhargava having DIN: 00011103 re-designated as Chairman cum Executive Director for a term of 5 years vide resolution passed by the board in their meeting held on November 15, 2022.

Mr. Sumant Bhatnagar having DIN: 00341026; Mr. Rajinder Kedia having DIN: 06972312 and Ms. Uma having DIN: 08473881 have been appointed as non-executive Independent Directors of the Company for a term of 5 years vide resolution passed by the board in their meeting held on November 26, 2022.

Mr. Birdhi Chand Jain has been appointed as Chief Financial Officer and Ms. Meenakshi has been appointed as Company Secretary and Compliance Officer of the Company vide resolution passed by the board in their meeting held on October 20, 2022.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company had given the declaration under Section 149(7) of the Act that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16 of SEBI LODR. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other authority. The Company has received a declaration from the Independent Directors that their name is included in the data bank.

Your Company has also devised a Policy on Familiarization Programme for Independent Directors which aims to familiarize the Independent Directors with your Company, nature of the industry in which your Company operates, business operations of your Company etc. The said Policy may be accessed on your Company's website at the link: <https://www.qualitygroup.in/wp-content/uploads/2023/01/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

PERFORMANCE EVALUATION

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The evaluation of all the Directors and the Board as whole was conducted based on the criteria and framework adopted by the Board.

The policy of the Company on Directors' appointment and remuneration, adopted by the Board, may be accessed on your Company's website at the link: <https://www.qualitygroup.in/wp-content/uploads/2023/01/POLICY-ON-NOMINATION-AND-REMUNERATION-COMMITTEE.pdf>

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee (the "Committee") was constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rule, 2014.

Composition of Audit Committee:

Name of the Director	Status	Nature of Directorship
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Sumant Bhatnagar	Member	Independent Director
Mr. Tejasvi Bhargava	Member	Managing Director

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 178(5) of the Companies Act 2013.

Composition of Stakeholders Relationship Committee

Name of the Director	Status	Nature of Directorship
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Kuldip Bhargava	Member	Executive Director
Mr. Tejasvi Bhargava	Member	Managing Director

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 178 of the Companies Act 2013.

Composition of Nomination and Remuneration Committee

Name of the Director	Status	Nature of Directorship
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Sumant Bhatnagar	Member	Independent Director
Ms. Uma	Member	Independent Director

Corporate Social Responsibility (CSR) Committee:

As the provisions of Sec-135 of the Companies act, 2013 are not applicable on the Company Therefore Company is not required to constitute CSR Committee.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy. The gap between any two consecutive meetings was within the limit prescribed under the Act and SEBI LODR. The necessary quorum was present during all the meetings.

During the financial year 2022-23, the board of directors held a total of 13 meetings. Out of these meetings, 12 were held physically while one board resolution was passed by circulation. The respective dates of the Board Meetings and Number of Directors who attended the meeting during the mentioned Period are as follows:

Serial No.	Date of Board Meeting	No. of Directors Attended the Meeting
1	25 th April, 2022	3/3
2	13 th July, 2022	3/3
3	30 th August, 2022	3/3
4	30 th September, 2022	3/3
5	20 th October, 2022	3/3
6	28 th October, 2022	3/3
7	15 th November, 2022	3/3
8	26 th November, 2022	3/3
9	23 rd December, 2022	6/6
10	03 rd January, 2023	3/6
11	10 th January, 2023	6/6
12	01 st March, 2023	6/6

GENERAL MEETINGS:

During the financial year ended 31st March, 2023, Total 4 meetings of shareholders were held for seeking approval of shareholders. The respective dates and types of Shareholder's meeting are as follows:

Sr. No.	Type of Meeting	Date of meeting
1	Annual General Meeting	30 th September, 2022
2	Extra-Ordinary General Meeting	12 th November, 2022
3	Extra-Ordinary General Meeting	19 th December, 2022
4	Extra-Ordinary General Meeting	17 th January, 2023

STATUTORY AUDITORS AND AUDITOR'S REPORT

The existing Statutory Auditors M/s. V S Jain and Associates, Chartered Accountants, Hisar (Firm Registration No.03533N) were duly appointed for a period of 5 years in the Annual General Meeting

duly held on 30-09-2019 i.e., upto the Annual General Meeting to be held in the year of 2024.

The report of the Statutory Auditors on the Balance Sheet and Profit and Loss Account for the year ended on 31-03-2023 is self-explanatory and does not require any statement from the Company. Furthermore, the Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS

M/s. Rajesh Garg & Co., Practicing Company Secretaries, Hisar (FCS No. 5960) was appointed by the Board as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Audit Report for financial year 2022-23 forms part of the Annual Report as **Annexure-C** to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, Mr. Kapil Mittal, Chartered Accountant was appointed by the Board of Directors to conduct internal audit for the financial year 2022-23.

COST AUDITORS

On the recommendation of the Audit Committee, the Board has appointed M/s. N. R. Goyal & Company, Cost Accountants, Delhi having Firm Registration No. 101252 with the Institute of Cost Accountants of India, as the Cost Auditor of the Company for conducting the Cost Audit of the Company for the financial year 2023-24 in the Board Meeting duly held on 23rd May, 2023 and the remuneration to be paid to Cost Auditors as recommended and approved by the Board, proposed to be ratified in the forthcoming Annual General Meeting of the Company.

COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

ANNUAL RETURN

As provided under Section 92(3) & 134(3)(a) of the Act, Annual Return for FY 2022-23 is uploaded on the website of the Company at www.qualitygroup.in

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no such employee of the Company who is covered under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014.

The Disclosures pertaining to remuneration and other details 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 are provided in **Annexure D** to this Report.

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Your Company has complied with all the mandatory provisions of corporate governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your company is committed to maintain the highest possible standards of Corporate Governance. Being a SME listed entity a separate report on Corporate Governance along- with Auditors' certificate in this regard is not required to be provided.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forms part of the Annual Report as **Annexure E** to the Board's report.

STOCK EXCHANGES WHERE THE SECURITIES ARE LISTED

SME Exchange of National Stock Exchange of India Ltd., ("NSE Emerge")
Exchange Plaza, 5th Floor, Plot No. C/1,
G-Block, Bandra-Kurla complex,
Bandra (E), Mumbai – 400 051

COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

We have duly complied with all the applicable guidelines issued by SEBI/Stock Exchange.

SECRETARIAL STANDARDS OF ICSI

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year and date of this report.

STATEMENT OF DEVIATION OR VARIATION

As per Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations,

2015, there is no deviation or variation in the use of funds raised through Public Issue of Equity Shares from the objects stated in the Prospectus of the Company.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial during the year under review.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("BRR") as per the requirements of Regulation 34(2)(f) of the SEBI LODR is not mandatorily required to be given by Companies which have listed their specified securities on the SME Exchange. Your Company has not voluntarily adopted disclosure requirement of the Business Responsibility Report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has in place a policy on prevention of sexual harassment at workplace in accordance with the provisions of Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013 ("POSH Act"). The policy aims at prevention of harassment of women employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

Further, in terms of the provisions of the SEBI LODR, the details in relation to the POSH Act, for the financial year ended on 31st March, 2023 are as under:

- a) Number of complaints pertaining to sexual harassment filed during the financial year: NIL
- b) Number of complaints pertaining to sexual harassment disposed off during the financial Year: NIL
- c) Number of complaints pertaining to sexual harassment pending as at the end of the financial year: NIL

The policy of the Company on Prevention of Sexual Harassment, as adopted by the Board, may be accessed on your Company's website at the link: <https://www.qualitygroup.in/wp-content/uploads/2023/01/POLICY-ON-PROTECTION-OF-WOMEN-FROM-SEXUAL-HARASSEMENT.pdf>

OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as

there were no transactions on these items during the year under review:

- 1) There was no issue of equity shares with differential rights as to dividend, voting or otherwise.

- 2) There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
- 3) No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- 4) There was no instance of one time settlement with any bank or financial institution.
- 5) Company does not have any subsidiary.
- 6) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 7) There are no shares in the demat suspense account/unclaimed suspense account of the Company.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013.

I. General Information:

1) Nature of Industry

Steel: The Company is engaged in the Manufacture and sale of stainless steel Cold rolled Stainless Steel (CR) Strips/ Coils and Stainless Steel Flexible hose pipes etc.

2) Date of commencement of commercial production

N.A. since the Company has already commenced its business activities

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

4) Financial performance based on given indicators (Rs. In lakhs)

Particulars	2022-23	2021-22	2020-21
Total Income	18694.45	18,030.64	12,436.67
Profit before depreciation and tax	535.39	369.98	279.82
Depreciation	152.60	148.33	147.33
Profit before tax	382.79	221.65	132.49
Tax Expense	63.92	63.65	37.87
Profit after tax	318.87	158	94.62
Equity capital (face value Rs. 10/-)	285.40	140	140
Earnings per share (Rs.) (face value Rs. 10/-)	11.18	11.29	6.76

- 5) **Foreign investments or collaborators, if any:**
The Company did not have any foreign investment or collaboration.

II. Information About Managing Director:

1) Background Details

Mr. Tejasvi Bhargava
Aged about 44 years, is a Graduate from New Delhi with an MBA from TUV London and management courses from IIM Ahmadabad, he has extensive and diverse experience in business and the steel industry.

2) Past Remuneration (Rs. In lakhs)

Financial Year	Mr. Tejasvi Bhargava
2022-23	48.62
2021-22	48.22
2020-21	38.22
2019-20	36.22
2018-19	36.22

3) Recognition or Awards

Mr. Tejasvi Bhargava is well recognized for his leadership, visionary, and entrepreneur skills in managing business activities and has been efficiently managing overall affairs of the Company.

4) Job Profile and his Suitability

Mr. Tejasvi Bhargava was inducted in 2003 as a member of the Board and become Managing Director of the Company with effect from August 8, 2015 and further re-appointed as Managing Director for a term of 5 years with effect from March 01, 2021. He has an extremely rich experience in the steel industry. Mr. Tejasvi Bhargava is responsible for the overall conduct and management of business and affairs of the Company. This includes broad development of business; providing strategic direction to the business units of the Company; review of product portfolio and continual introduction of new products; enhancement of manufacturing efficiencies and rationalization of costs. The Company has registered an incredible growth under his leadership.

5) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.

Apart from their remuneration in the capacity of Managing Director, Mr. Tejasvi Bhargava, has also provided unsecured loan during the year to the Company @ 9% p.a. (Outstanding as on 31-03-2023 is Nil). He also holds 123600 shares in the Company.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profits: The Company has been profitable since its inception. However, it may have faced low profits at times due to following reasons:

- Competition;
- Pressure on pricing;
- High Interest rates.

2) Steps taken or proposed to be taken for improvement

- To launch new products ;
- Reduce break-even;
- Enhance performance ethics;
- Leadership and outsourcing;
- Specialization.

3) Expected increase in productivity and profit in measurable terms.

The above steps taken/proposed to be taken by the Company are expected to increase the productivity and profits of the Company.

ACKNOWLEDGEMENT

The Board of Directors thanks and deeply acknowledge the co-operation, assistance and support provided by all the stakeholders' viz., workers, shareholders, bankers, customers, dealers, vendors, Government and Regulatory agencies.

For and on behalf of the Board of Directors

Date: July 5, 2023
Place: Hisar

Sd/-
(Tejasvi Bhargava)
Managing Director

DIN: 00011205
R/o: Anand bhawan,
Hisar-125001

Sd/-
(Kuldip Bhargava)
Chairman cum Director

DIN: 00011103
R/o: Anand bhawan,
Hisar-125001

(CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GO-RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

The following measures have been taken by the company for conservation of energy: -

1.) The steps taken or impact on conservation of energy: -

- a. Identification and monitoring of operation of high energy consuming load centers.
- b. Use of Energy Efficient Lighting systems like LED and CFL lamps etc.
- c. Switching off machines/equipment when not in use and switching off lights in areas not having adequate activity by regrouping/repositioning the activity so that there will not be any wastage of energy due to lighting.
- d. Use of power capacitors to improve the Power factor.
- e. Creating awareness among employees about the necessity of energy conservation.
- f. The Company installed Solar System of 150KW for energy consumption.

The above-mentioned measures have resulted in reduced consumption of electrical energy at various load centers and helped in containing the energy costs in spite of the hike in electricity tariff.

2.) The steps taken by the company for utilizing the alternate sources of energy:-

- a. The company has own generator sets for generating power as alternate source of energy.

3.) The capital investment on energy conservation equipments: -

No specific investment has been made in reduction in energy consumption.

B. TECHNOLOGY ABSORPTION

1.The effort made towards technology absorption:

All the products of the company have a high level of technology. The Manufacturing processes are also technology intensive. These are being constantly updated.

2. The benefits derived like product improvement cost reduction, product development or import substitution:

Technology development plans of the company have resulted in reducing the cost of production and also provided flexibility in manufacturing.

4. In case of imported technology (important during the last three years reckoned from the beginning of the financial year.)

- a. The details of technology imported
- b. The year of Import
- c. Whether the technology been fully absorbed
- d. if not fully absorbed, areas where absorption has not taken place and the reasons thereof.

The company has not imported any technology during the last three years.

4. The Expenditure incurred on Research and Development: - NIL

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:	(Amount: In Lakh)	
	<u>2022-23</u>	<u>2021-2022</u>
Total Foreign Exchange used during the year under review=	22.27	68.83
Total Foreign Exchange earned during the year under review=	477.19	1030.16

For and on behalf of the Board of Directors

Date: July 5, 2023
Place: Hisar

Sd/-
(Tejasvi Bhargava)
Managing Director
DIN: 00011205
R/o: Anand bhawan,
Hisar-125001

Sd/-
(Kuldip Bhargava)
Chairman cum Director
DIN: 00011103
R/o: Anand bhawan,
Hisar-125001

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: No Such Contracts

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

Name of the Related Party and Nature of Relationship	Nature of Contract/ Arrangements / Transactions	Duration of the Contract/ Arrangements/ Transactions	Salient Terms of the Contract /Arrangements /Transactions, including the value, if any (in Rs.)	Date of Approval by the Board, If Any	Amount Paid as advances , if any
Sh. Tejasvi Bhargava (Managing Director)	Interest Received	Long Term	3,69,496	25-04-2022	-
Mrs. Divya Bhargava (Relative of KMP)	Remuneration received	Long Term	6,21,600	25-04-2022	-
Mrs. Preet Bhargava (Relative of KMP)	Remuneration received	Long Term	6,21,600	25-04-2022	-
Mrs. Anita Jain (Relative of KMP)	Remuneration received	Long Term	5,51,040	25-04-2022	-
Quality Stainless Pvt. Ltd.	Sales	Long Term	11,12,68,071	25-04-2022	-

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

Quality Stainless Pvt. Ltd.	Job work	Long Term	12,24,383	25-04-2022	-
Aurum Fabrication	Sales	Long Term	1,09,197	25-04-2022	-

For and on behalf of the Board of Directors

Date: July 5, 2023
Place: Hisar

Sd/-
(Tejasvi Bhargava)
Managing Director

DIN: 00011205
R/o: Anand bhawan,
Hisar-125001

Sd/-
(Kuldip Bhargava)
Chairman cum Director

DIN: 00011103
R/o: Anand bhawan,
Hisar-125001

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

**[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,
M/s. Quality Foils (India) limited,
3, Industrial Development Colony,
Hisar-125005 (Haryana)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Quality Foils (India) Limited, Hisar (CIN No.U27107HR1990PLC030929) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023 according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Depositors and Participants) Regulations, 2018.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(NA)**
- (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NA)**
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; **(NA)** and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(NA)**

(vi) **OTHER APPLICABLE ACTS;**

The company has complied with the other laws applicable to the company as per the representations made by the company as per below details:-

- a. Industrial Disputes Act, 1947;
- b. Payment of Wages Act, 1936;
- c. The Minimum Wages Act, 1948;
- d. Employees' State Insurance Act, 1948;
- e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- f. The Payment of Bonus Act, 1965;
- g. The Industrial Employment (Standing Orders) Act, 1946;
- h. Payment of Gratuity Act, 1972;
- i. The Workmen's Compensation Act, 1923;
- j. Environment (Protection) Act, 1986;
- k. The Sexual harassment of women at work place (Prevention, prohibition and Redressal) Act, 2013.
- l. Air (Prevention & Control of Pollution) Act, 1981
- m. Water (Prevention & Control of Pollution) Act, 1974
- n. Hazardous Waste (Management and Handling) Rules 1989.
- o. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

We have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;

(ii) The listing agreements entered into by the Company with NSE Emerge;

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

We further report, that the compliance by the company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same have been subject to review by Statutory financial auditors and other designated professionals.

We further report, that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women director and Independent directors. There were changes in the composition of the Board of Directors during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report there were below specific events during the period under review and complied with the provisions of the act:-

1. The company has duly appointed Managing Director, Independent Directors, Woman director, Chief Financial Officer and Company Secretary (designated as KMP)
2. The company was converted into Public Limited Company vide resolution passed in extra ordinary general meeting held on dt.12-11-2022.
3. The company has increased its authorized share capital from Rs. 2 Crores to Rs. 4 Crores vide resolution passed in extra ordinary general meeting held on dt.12-11-2022. Further the company has sub-divide its existing equity shares from face value of Rs.100 to Rs.10 vide resolution passed in

annual general meeting dt.30-09-2022.

4. The company has issued and allotted 700000 bonus equity shares of Rs.10 each in the ratio of one equity shares for every two existing equity shares held by the members vide resolution passed in extra ordinary general meeting held on dt.12-11-2022.

5.The company has obtained approval for Initial Public Offering (IPO) vide resolution passed in extra ordinary general meeting held on dt.19-12-2022 and subsequently issued and allotted 754000 equity shares @ Rs.60 each vide resolution passed in board of directors meeting held on dt.21-03-2023

6.The company has duly complied with the provisions of section 180(1)(a), 180(1)(c) and 186 vide resolution passed in annual general meeting held on dt.30-09-2022 and vide resolution passed in extra ordinary general meeting held on dt.17-01-2023.

Place: Hisar

Date: 28-06-2023

For Rajesh Garg and Co.

Sd/-

(Rajesh Garg)

CP No.4093

UDIN=F005960E000513742

PR CERT.NO.799/2020

Annexure D

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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for financial year 2022-23 (Rs. In Lakh)	% increase in Remuneration during the Financial Year	Ratio of remuneration /to median remuneration of employees (Excl. MD and WTD)	Ratio of remuneration /to median remuneration of employees (Incl. MD and WTD)
1	Tejasvi Bhargava (Managing Director)	48.62	0.83 %	27.89	27.90
2	Birdhi Chand Jain (Chief Financial Officer)	11.12	6.11 %	6.28	6.28
3	Meenakshi (Company Secretary and Compliance Officer)	1.76	NA	0.95	0.95

- (ii) The median remuneration of employees of the Company including Managing Director (MD) and Whole-time Director (WTD) was Rs. 173450/- and Rs. 145495/- in the financial year 2022-23 and 2021-22 respectively. The increase in median remuneration of employees excluding MD and WTD in the financial year 2022-23 is 19.21%.
- (iii) The median remuneration of employees of the Company excluding Managing Director (MD) and Whole-time Director (WTD) was Rs. 173500/- and Rs. 145484/- in the financial year 2022-23 and 2021-22 respectively. The increase in median remuneration of employees including MD and WTD in the financial year 2022-23 is 19.25%.
- (iv) There were 166 (previous year 171) permanent employees on the rolls of the Company as on March 31, 2023.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for

Directors, Key Managerial Personnel and other Employees.

STATEMENT AS PER RULE 5(2)(iii) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Mr. Kuldip Bhargava was in receipt of remuneration in excess of that drawn by the Managing Director and he holds along with his spouse and dependent children, two percent or more of the equity shares of the Company.

Other details as per regulation 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Details
1	Name	Kuldip Bhargava
2	Designation	Chairman cum Director
3	Remuneration received for F/Y 2022-23	Rs. 60.62 Lakh
4	Nature of employment	Permanent
5	Qualification	BA
6	Experience	40 Years
7	Date of commencement of employment	08 May, 1990
8	Age (years)	70
9	Last employment	NA
10	Percentage of Equity shares held (as per rule 5(2)(iii) i.e. along with his spouse and dependent children, if any)	738000 Equity Shares i.e. 25.86 %
11	Name of Director to whom he is related	Mr. Tejasvi Bhargava, Managing Director is the son of Mr. Kuldip Bhargava.

For and on behalf of the Board of Directors

Date: July 5, 2023
Place: Hisar

Sd/-
(Tejasvi Bhargava)
Managing Director
DIN: 00011205
R/o: Anand bhawan,
Hisar-125001

Sd/-
(Kuldip Bhargava)
Chairman cum Director
DIN: 00011103
R/o: Anand bhawan,
Hisar-125001

Management Discussion and Analysis Report

Your Company is engaged in the manufacture of Cold Rolled Stainless Steel Strips and Stainless Steel Tubes & Pipes. From manufacturing process involved, it may be classified as a stainless steel strips, tubes and pipes manufacturer. The Indian steel industry has made a rapid progress on strong fundamentals over the recent few years. The industry is getting all essential ingredients required for dynamic growth. The government is backing the industry through favorable industrial reforms. Indian steel demand is expected to boost by Infrastructure & Construction development sustained by industrial, manufacturing and capital goods and be stimulated by the automotive, railways and consumer durable sectors.

Your Company has various machineries as per the list attached as **Annexure F(a)** to this report. Thus, your Company has immense capability to keep pace with the growing requirement of the industry. Besides, we always look forward to cope with technology advancement to grasp the all available opportunities.

India's GDP grows 9% in FY2022-23

Robust Demand

India steel consumption anticipated to increase to 250MT by 2030-31.

Increasing Investment

The industry is witnessing consolidation of player which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian Market

Policy Support

In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.

Under the Union Budget 2023-24, the government allocated Rs. 70.15 crores (USD 8.5 Million) to the Ministry of Steel.

Competitive Advantages

Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.

Other

The demand from the C&I sector is slated to go up substantially with more investment in Infra, stability in the real estate sector, FERA amendment etc, the demand from the Auto and Auto component sector may witness a consolidation stage in FY24 with the thrust towards EV, Petrol and diesel price hike and export opportunities.

The incoming public investment along with enhancement of FDI limits (from 49 percent to 74 percent in Defence, 100 percent in retail and real estate) has generated a good feeling in the commodity sector, steel being the significant beneficiary, and an enabling environment for infrastructure growth.

The traditional demand driving sector for steel continues to be construction, which with the help of real estate construction and infra stimulus that have been announced by almost all the countries to prop up their economies immediately after the pandemic, would play a stellar role in strengthening steel

demand. The demand for logistic-related facilities to support e-commerce, along with green recovery programmes and infra renewals, would play their part.

A number of mega government schemes in India like Jal Jiban Mission, PMAY-G & U, Bharatmala and Sagarmala provide good prospect for public investment, while projects like dedicated freight corridor, Metro railways, Ujala, port modernisation, new airports, renewable energy and irrigation projects would demand massive volume of steel that can be mostly supplied indigenously.

The Indian steel industry needs to enhance intensity in each of these segments by making available standard designs in steel that can be immediately implemented. The penchant for Atmanirbhar Bharat and renewable energy would lead to higher demand for indigenous manufacturing of steel contained engineering goods by replacing imports.

ICRA revises outlook on steel sector to stable from positive

After two back-to-back years of earnings surge, the steel companies are now staring at a significant decline in earnings over the next 12 months as the industry faces multiple headwinds emanating from trade barriers from export duty on finished steel, unprecedented coal/energy cost pressures, and muted domestic demand growth so far, ICRA said in a report.

The industry could therefore be on the way to an accelerated mean reversion as the operating environment becomes far less attractive in the coming months. Such challenges would be accentuated by high inflation and front-loading of policy rate hikes, it said.

“According to a report by **CRISIL Ratings**, the domestic demand for stainless steel is projected to log a healthy compound annual growth rate of **9 per cent** in the three fiscals through 2025, double the 4.5 per cent pace of the past five fiscals.”

Segment-wise or Product wise Performance:

Currently your Company is engaged only in one type of product and involves one type of process and it is called Engineering Product, so there is no segment wise or product wise performance available.

Risk and Concerns:

The Companies engaged in production of stainless steel strips, tubes and pipes had faced major challenges due to slowdown in the growth of steel industry. The falling demand, low prices, cost escalation in inputs, reduction in import duty are some of the major threats to the sustainability of the Indian Steel Industry. Further reduction in import duty stimulated the import of steel from China and other countries manufacturers at low prices leading to decrease in demand of domestic goods.

Internal Control System and their Adequacy:

Your Company has adequate internal control systems commensurate with its size and operations, although not documented. The Company regularly gets its accounts audited from internal auditor.

Financial Performance with respect to Operational Performance:

The company's production of Cold Rolled Stainless Steel Strips and Stainless Steel Flexible Hoses (excluding Job production) was 6782.938 MT in the current financial year, as compared to 7332.141 MT in the previous financial

year. However, the sales volume of these products increased marginally from 7333.995 MT in the previous year to 6786.818 MT in the current year. The company also achieved a higher turnover of Rs. 18694.45 Lacs in the current year, compared to Rs. 18030.64 Lacs in the previous year. During the year the company has achieved

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

Profit after tax of Rs. 318.87 Lacs (including net capital gain of Rs. 132.00 lacs) as compared to last year profit after tax of Rs. 158.00 Lacs . The reserve and surplus stood to Rs. 2454.23 Lacs. The earnings per share is Rs. 11.18 and book value of the share is Rs. 96/- per share.

Industrial Relations and Resource Management:

The Company during the previous year continued its record of good industrial relations with its employees. During the year various initiatives had been taken to improve the performance and productivity levels in various departments of the Company. The Company conducts training sessions on various topics ranging from safety, productivity, handling of hazardous products etc. that help to train employees to overcome operational constraints. The Company has its in house technical centre in the plant to train the new recruits before their placement that helps in optimum utilization of resources as well as maintaining quality standards. It also indulges into and implements various HR initiatives and activities including employee welfare, special rewards, performance review system and various employee motivation activities.

Cautionary Statement:

Management Discussion and Analysis Report may be “forward looking statement” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon global and Indian demand-supply conditions, changes in government regulations, tax regimes, and economic developments within India and overseas.

For and on behalf of the Board of Directors

Date: July 5, 2023
Place: Hisar

Sd/-
(Tejasvi Bhargava)
Managing Director
DIN: 00011205
R/o: Anand bhawan,
Hisar-125001

Sd/-
(Kuldip Bhargava)
Chairman cum Director
DIN: 00011103
R/o: Anand bhawan,
Hisar-125001

LIST OF PLANT MACHINERY

Annexure E (a)

A. LIST OF MANUFACTURING MACHINERY		
COLD ROLLING MILL	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
CRM - 1	ROLLING (COLD REDUCTION)	THICKNESS 0.60 - 3 MM , WIDTH 240-500 MM
CRM - 2	ROLLING (COLD REDUCTION)	THICKNESS 0.60 - 4 MM , WIDTH 300-720 MM
CRM - 3	ROLLING (COLD REDUCTION)	THICKNESS 0.10 - 2 MM , WIDTH 200-550 MM
SKIN PASS (2-HIGH MILL)	TO IMPROVE THE MECHANICAL PROPERTIES & SHAPE	THICKNESS 0.10 - 1.20 MM , WIDTH 150-360 MM
COIL BUILDUP LINE	TO FIX LEADER END	THICKNESS 0.60 - 4 MM , WIDTH 300-720 MM
FURNACE (F)	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
F -1	ANNEALING (TO SOFTEN THE HR/CR COILS)	THICKNESS 0.80 - 6 MM , WIDTH 200-720 MM
F -2	ANNEALING (TO SOFTEN THE HR/CR COILS)	THICKNESS 0.80 - 6 MM , WIDTH 300-700 MM
PICKLING	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
ANNEALING & PICKLING - 1	TO REMOVE THE OXIDES FORMING DURING ANNEALING.	THICKNESS 0.10 - 3 MM , WIDTH 200-720 MM
ANNEALING & PICKLING - 2	TO REMOVE THE OXIDES FORMING DURING ANNEALING.	THICKNESS 0.10 - 3 MM , WIDTH 200-720 MM
PICKLING	TO REMOVE THE OXIDES FORMING DURING ANNEALING.	THICKNESS 2 - 6 MM , WIDTH 200-720 MM
DEGREASING	TO REMOVE THE OIL FROM SURFACE OF COIL	THICKNESS 0.10 - 3 MM , WIDTH 200-720 MM
SHOT BLAST M/C	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
SHOT BLAST M/C	SURFACE CLEANING	THICKNESS 4 MM (MAX.) & WIDTH 750 MAX. & SPEED
BRIGHT ANNEALING	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
BRIGHT ANNEALING	TO ANNEAL AND IMPROVE SURFACE FINISH	THICKNESS 0.20 - 1.5 MM , WIDTH -550 MM (MAX) MAX. TEMP. 1080 C & SPEED - 25 MPM MAX.
SLITTING	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
SLITTING # 1	TO SLIT THE COIL AS PER CUSTOMER REQUIREMENT (UNDER SHUTDOWN-2022)	THICKNESS 0.80 - 3 MM , WIDTH 150-500 MM & SLITTING SIZE 30-500 MM
SLITTING # 2	TO SLIT THE COIL AS PER CUSTOMER REQUIREMENT	THICKNESS 0.10 - 6 MM , WIDTH 150-710 MM & SLITTING SIZE 10-710 MM
SLITTING # 3	TO SLIT THE COIL AS PER CUSTOMER REQUIREMENT	THICKNESS 0.80 - 3 MM , WIDTH 150-500 MM & SLITTING SIZE 30-500 MM
SLITTING # 4	TO SLIT THE COIL AS PER CUSTOMER REQUIREMENT	THICKNESS 0.10 - 0.80 MM , WIDTH -475 MM (MAX) & SLITTING SIZE 10-475 MM
B. LIST OF SUPPORTING MACHINERY		
GRINDING MACHINE	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
GRINDING MACHINE#1 (LANDIS)	WORK ROLL & SLITTER CUTTER GRINDING	DIA.-500MM, LENGTH-2000MM
GRINDING MACHINE #2 (DHIMAN)	WORK ROLL & SLITTER CUTTER GRINDING	DIA.-400MM, LENGTH-2000MM
GRINDING MACHINE #3 (DHIMAN)	WORK ROLL & BACKUP ROLL GRINDING	DIA.-800MM, LENGTH-2500MM
LATHE MACHINE	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
LATHE MACHINE (8FT) #1	ROLL POLISH	DIA.-250MM, LENGTH-1250MM

LATHE MACHINE (10 FT) #2	TURNING	DIA.-500MM, LENGTH-2000MM
LATHE MACHINE (15 FT) #3	TURNING	DIA.-1000MM, LENGTH-2500MM
LATHE MACHINE (10 FT) # 4	TURNING	DIA.-500MM, LENGTH-2000MM
LATHE MACHINE (8 FT) #5	TURNING	DIA.-250MM, LENGTH-1200MM
SHAPER MACHINE	MACHINING	STROKE-600MM

DIESEL GENERATOR	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
D.G (750KVA) #1	BACKUP POWER	1000AMP /415VAC
D.G (750KVA) #2 (CUMMINS)	BACKUP POWER	1000AMP /415VAC
D.G (160KVA) #3 (KIRLOSKAR CUMMINS)	BACKUP POWER	200AMP /415VAC

AIR COMPRESSOR	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
AIR COMPRESSORS ELGI-MAKE , QTY-2NOS	TO PROVIDE COMPRESSED AIR	250CFM @7KG/CM SQ.
AIR COMPRESSORS KIRLOSKAR	TO PROVIDE COMPRESSED AIR	250CFM @7KG/CM SQ.

CRANE	PURPOSE	CAPACITY (PRODUCT DESCRIPTION)
EOT CRANE		
10 TON (QTY-3NOS)	MATERIAL HANDLING	10.0 TON
7.5 TON (QTY -4NOS)	MATERIAL HANDLING	7.5 TON
GOLIATH CRANE		
5 TON (QTY -1NO)	MATERIAL HANDLING	7.5 TON
3 TON (QTY-2NO)	MATERIAL HANDLING	3.0 TON

INDEPENDENT AUDITORS' REPORT

THE MEMBERS OF QUALITY FOILS (INDIA) LIMITED

(Formerly known as Quality Foils (India) Private Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Quality Foils (India) Limited ("the Company"), for the year ended 31st March, 2023 which comprise the Balance Sheet and the Statement of Profit and Loss and the Statement of Cash Flows as at and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 for the Year ended March 31, 2023, and its Profit and Cash Flows for the Year ended on that date.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. Based on the work during the year no such matter to be reported in this regard.

Information other than the Financial Statements and Auditors' report thereon

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

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

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

If, based on the work we have performed on the other information obtained prior to the date of this audit report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those charged with Governance for the Financial Statements

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

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

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

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure- A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - (1) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (3) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (4) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (5) On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (6) 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".

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

- (a) The Company does not have any pending litigation which would impact on its financial position.
- (b) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we consider reasonable and appropriate in the circumstances, nothing has come to notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (e) The company has not declared or paid any dividend during the year.

For V S JAIN & ASSOCIATES
Chartered Accountants
(Firm's registration no. 003533N)

Sd/-
(CA SANDEEP KUMAR JAIN)
PARTNER
(M. No.: 511237)
(UDIN:23511237BGQECL6131)

Place: Hisar
Date: May 23, 2023

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report to the Members of Quality Foils (India) Limited of even date)

1. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

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

(ii) The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.

(b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed/ title deed/ conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. There are no immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements.

(d) The company has not revalued its Property, Plant and Equipment during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on ‘whether the Company has appropriately disclosed the details in its financial statements does not arise.

2. (a) As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The company has been sanctioned working capital limits in excess of five crores in aggregate from banks and/or financial institutions on the basis of security of current assets and the quarterly returns and monthly statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. During the year, the company has given a corporate guarantee of Rs. 774.50/- Lakh to the Bank. 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 Company Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prime facie, the prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.

(b) there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.

8. there is no any transaction recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been a declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the loans raised during the year were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilized for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. (a) During the year, the Company has issued bonus shares in the ratio of 1:2 to the existing shareholders and raised Rs. 452.40 lakh by way of Initial Public Offer of 754000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 60/- Per Equity Share, during the Offer Period from March 14, 2023 to March 16, 2023. The Equity Shares of the Company are listed on the NSE SME Platform (NSE EMERGE) on 24.03.2023. The requirements as specified under Section 23 and other applicable provisions of the Companies Act, 2013 have been complied with.

(b) the company has not made any preferential allotment or private placement of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 are not applicable to the company.

11. (a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the year. The management has also not reported any case of fraud during the year.

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, no Whistle Blowers Complaints were received during the

year under review.

12. The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

13. As per the information and explanations received to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.

14. In our opinion, the Company has an adequate Internal Audit System commensurate with the size and nature of its business.

15. The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.

16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations received, the group does not have any CIC as part of the group.

17. The company has not incurred cash loss in current financial year as well in immediately preceding financial year.

18. There has been no resignation of the previous statutory auditors during the year.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

21. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable to the company.

For V S JAIN & ASSOCIATES
Chartered Accountants
(Firm's registration no. 003533N)

Place: Hisar
Date: May 23, 2023

Sd/-
(CA SANDEEP KUMAR JAIN)
PARTNER
(M. No.: 511237)
(UDIN:23511237BGQECL6131)

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (6) under ‘Report on other legal and regulatory requirements’ of our report to the members of Quality Foils (India) Limited of even date)

Report on the Internal Financial Controls over Financial Reporting 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 Quality Foils (India) Limited (the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The Board of directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

For V S JAIN & ASSOCIATES
Chartered Accountants
(Firm's registration no. 003533N)

Place: Hisar
Date: May 23, 2023

Sd/-
(CA SANDEEP KUMAR JAIN)
PARTNER
(M. No.: 511237)
(UDIN: 23511237BGQECL6131)

QUALITY FOILS (INDIA) LIMITED

(Formerly known as Quality Foils (India) Private Limited)

(CIN: U27107HR1990PLC030929)

(Rs. In Lakhs)

BALANCE SHEET AS AT 31ST MARCH, 2023

PARTICULARS	NOTE NO.	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
EQUITY AND LIABILITIES:			
Shareholders' Funds			
Share Capital	2	285.40	140.00
Reserves and Surplus	3	<u>2454.23</u>	<u>1828.36</u>
Total Shareholders' Funds		<u>2739.63</u>	<u>1968.36</u>
Non-current Liabilities			
Long Term Borrowings	4	1252.87	1608.25
Long Term Provisions	5	193.04	187.09
Deferred Tax Liabilities (Net)		194.22	229.19
Other Non current Liabilities	6	<u>3.00</u>	<u>0.00</u>
Total Non-current liabilities		<u>1643.13</u>	<u>2024.53</u>
Current Liabilities:			
Short term Borrowings	7	3015.36	3199.24
Trade Payables	8		
(i) Due to Micro and Small Enterprises		-	65.70
(ii) Due to others		57.38	315.22
Other Current Liabilities	9	113.63	222.41
Short Term Provisions	10	<u>51.60</u>	<u>39.09</u>
Total Current Liabilities		<u>3237.97</u>	<u>3841.67</u>
TOTAL EQUITY AND LIABILITIES		7620.73	7834.56
ASSETS:			
Non-current Assets:			
Property, Plant and Equipment, Intangible Asstes			
- Property, Plant and Equipments	11	2018.84	2031.99
- Capital work in progress		-	-
- Intangible Assets		-	-
Non-current Investments	12	40.05	68.01
Long Term Loans and Advances	13	52.04	-
Other Non-current Assets	14	<u>66.79</u>	<u>57.10</u>
Total Non-current Assets		<u>2177.72</u>	<u>2157.11</u>
Current Assets:			
Inventories	15	1699.45	1922.37
Trade Receivables	16	3015.49	3356.75
Cash and cash equivalents	17	580.03	163.13
Short Term Loans and Advances	18	69.65	20.88
Other Current Assets	19	<u>78.39</u>	<u>214.31</u>
Total Current Assets		<u>5443.01</u>	<u>5677.45</u>
TOTAL ASSETS		7620.73	7834.56

The accompanying Note Nos. 1 to 37 form an integral part of the financial statements.

**For and on behalf of the Board of Directors of
Quality Foils (India) Limited**

AUDITOR'S REPORT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR V S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Reg. No. 003533N)

Sd/-
(CA SANDEEP KUMAR JAIN)
PARTNER
(M. NO. 511237)
(UDIN: 23511237BGQECL6131)
Place: Hisar
Dated: May 23, 2023

Sd/-
TEJASVIBHARGAVA
(Managing Director)
(DIN: 00011205)

Sd/-
Ms. MEENAKSHI
(Company Secretary)

Sd/-
KULDIP BHARGAVA
(Chairman & Director)
(DIN: 00011103)

Sd/-
BIRDHI CHAND JAIN
(Chief Financial Officer)

QUALITY FOILS (INDIA) LIMITED

(Formerly known as Quality Foils (India) Private Limited)

(CIN: U27107HR1990PLC030929)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST March, 2023

(Rs. In Lakhs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH, 2023 (Rs.)	FOR THE YEAR ENDED 31ST MARCH, 2022 (Rs.)
REVENUE			
Revenue from Operations	20	18636.25	17978.58
Other Income	21	<u>58.20</u>	<u>52.06</u>
Total Revenue		<u>18694.45</u>	<u>18030.64</u>
EXPENSES:			
Cost of Material Consumed	22	15270.57	15780.44
Changes in Inventories of Finished goods and Work-in-progress	23	612.26	-550.92
Employee Benefit Expenses	24	564.32	551.84
Finance Cost	25	363.82	325.60
Depreciation		152.60	148.33
Other Expenses	26	<u>1515.52</u>	<u>1553.69</u>
Total Expenses		<u>18479.09</u>	<u>17808.98</u>
Profit from ordinary activities before Extraordinary Items and Tax		215.36	221.65
Extraordinary Items:			
- Profit on sale of land		195.18	-
- Loss on sale of long term investments		<u>-27.75</u>	<u>-</u>
Profit Before Tax		382.79	221.65
Tax Expense:			
- Income tax on extraordinary items		35.43	-
- Current Tax		63.48	57.24
- Deferred Tax		-34.97	5.99
- Previous years' tax adjustment		<u>-0.02</u>	<u>0.43</u>
NET PROFIT FOR THE PERIOD/YEAR		<u>318.87</u>	<u>158.00</u>
Earnings per equity share of face value of Rs. 10/- each (Previous year restated at Rs. 10/- each)			
Basic and Diluted (in Rs.)			
On ordinary items		6.55	11.29
On extraordinary items		4.63	-

The accompanying Note Nos. 1 to 37 form an integral part of the financial statements.

**For and on behalf of the Board of Directors of
Quality Foils (India) Limited**

AUDITOR'S REPORT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR V S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Reg. No. 003533N)

Sd/-
TEJASVIBHARGAVA
(Managing Director)
(DIN: 00011205)

Sd/-
KULDIP BHARGAVA
(Chairman & Director)
(DIN: 00011103)

Sd/-
(CA SANDEEP KUMAR JAIN)
PARTNER
(M. NO. 511237)
(UDIN: 23511237BGQECL6131)
Place: Hisar
Dated: May 23, 2023

Sd/-
Ms. MEENAKSHI
(Company Secretary)

Sd/-
BIRDHI CHAND JAIN
(Chief Financial Officer)

QUALITY FOILS (INDIA) LIMITED

(Formerly known as Quality Foils (India) Private
Limited) (CIN: U27107HR1990PLC030929)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

PARTICULARS	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
A. Cash Inflow/(Outflow) from Operating Activities		
Net Profit Before Tax & Extraordinary Items	215.36	221.65
Adjustment for:		
Depreciation	152.60	148.33
Interest Income	-29.57	-40.57
Dividend Income	-0.17	-0.17
Foreign Currency Fluctuation	-7.99	-7.27
Liabilities written back	-2.04	-1.86
Profit on Sale of Fixed assets	-3.22	-1.01
Miscellaneous Income	-0.81	-1.17
Finance Cost	<u>363.82</u>	<u>325.60</u>
Operating Profit before working Capital Changes	687.97	643.53
Adjustment for:		
(Increase)/Decrease in Inventories	222.93	(619.06)
(Increase)/Decrease in trade receivables	341.27	(571.04)
(Increase)/Decrease in other assets	87.15	(64.96)
Increase/(Decrease) in Liabilities and provisions	<u>-419.81</u>	<u>441.61</u>
Cash Inflow from Operating Activities	919.51	(169.92)
Interest Income	29.57	40.57
Liabilities written back	2.04	1.86
Miscellaneous Income	0.81	1.17
Foreign Currency Fluctuation	7.99	7.27
Income Tax Paid	<u>-63.47</u>	<u>(57.67)</u>
Net Cash inflow	896.45	(176.71)
B. Cash Inflow/(Outflow) from Investing Activities		
Purchase of Capital Goods/Fixed Assets	(156.43)	(239.36)
Sale of Capital goods/Fixed Assets	215.39	6.48
(Increase)/Decrease in other non current assets	(61.73)	-
Increase/(Decrease) in non-current Liabilities/provisions	8.95	12.46
Dividend Income	0.17	0.17
Sale/(Purchase) of Investments	0.22	-
Income Tax on extraordinary items	<u>(35.43)</u>	<u>-</u>
C. Net Cash from investing activities	(28.86)	(220.25)
Cash Inflow/(Outflow) from Financing Activities		
Proceeds from issue of share capital	452.40	-
Proceeds from long term borrowings	70.00	459.70
Proceeds from short term borrowings	(221.95)	551.97
Repayment of long term borrowings	(387.32)	(332.14)
Interest Paid	(363.82)	(325.60)
Net cash from Financing activities	<u>(450.69)</u>	<u>353.93</u>
Net Changes in Cash & Cash Equivalents	416.90	(43.04)
Cash & Cash Equivalents (Opening balance)	<u>163.13</u>	<u>206.17</u>

AUDITOR'S REPORT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR V S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm's Reg. No. 003533N)

**For and on behalf of the Board of Directors of
Quality Foils (India) Limited**

Sd/-
TEJASVI BHARGAVA

(Managing Director)
(DIN: 00011205)

Sd/-
KULDIP BHARGAVA

(Chairman & Director)
(DIN: 00011103)

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

(CA SANDEEP KUMAR JAIN)
PARTNER
(M. NO. 511237)
(UDIN: 23511237BGQECL6131)

Sd/-
Ms. MEENAKSHI
(Company Secretary)

Sd/-
BIRDHI CHAND JAIN
(Chief Financial Officer)

Place: Hisar
Dated: May 23, 2023

QUALITY FOILS (INDIA) LIMITED

(Formerly known as Quality Foils (India) Private Limited)

Notes Forming Integral Part of the Financial Statements for the Year Ended 31st March 2023

Note: Nature of Business Operations:

Quality Foils (India) Limited (hereinafter referred to as ‘the company’) is a manufacturer of Cold Rolled Stainless Steel Strips/coils and Stainless Steel Flexible Hose Pipes.

The company incorporated under the provisions of the Companies Act, 1956 and domiciled in India. The registered office of the company is at 3, Industrial Development Colony, Hisar, Haryana 125005. The company is a public limited company and is listed on NSE SME Platform (NSE EMERGE).

Note: 1 Accounting Policies

1.1 Basis of Preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Accounting Principles generally accepted in India. The Financial Statements have been prepared to comply in all material respects with the Accounting Standards, as prescribed under Section 133 of the Companies Act, 2013 and the Rules defined thereunder, as amended from time to time. IND AS is not currently applicable to the company.

These Financial Statements have been prepared on the Historical Cost basis, except for certain Financial Instruments which are measured at Fair Values at the end of each Reporting Period as explained in the Accounting Policies below. Historical Cost is generally based on the Fair Value of the consideration given in exchange for goods and services. 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.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use

The Financial Statements are prepared in Indian Rupees (“INR”) which is the Company’s Presentation Currency and the Functional Currency for its Operations. All Financial Information presented in INR has been rounded to the nearest ‘Lakhs’ with two decimal places, unless stated otherwise. Previous year figures have been regrouped/ re-arranged, wherever necessary.

1.2 Use of Estimates:

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles requires the Management to make estimates, judgements, and assumptions. These estimates, judgments and assumptions affect the application of the Accounting Policies and the reported amounts of Assets and Liabilities, the disclosures of Contingent Assets and Liabilities at the date of the Financial Statements and reported amounts of Revenues and Expenses during the year.

The Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to the Accounting Estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgments and estimates relating to Carrying Value of Assets and Liabilities include useful lives of Property, Plant and Equipment, impairment of Property, Plant and Equipment, Investments, Provision for Employee Benefits and other provisions, recoverability of Deferred Tax

Assets, Commitments and Contingencies.

1.3 Revenue Recognition

Revenue from Sale of products is recognized when the control on the Goods have been transferred to the Customer. The Performance Obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer/consignee or on delivery to the customer/consignee, as may be specified in the Contract.

Revenue from Contracts with Customers is recognized on transfer of control of promised Goods or Services to a Customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method. Interest Income is included under the head "Other Income" in Statement of Profit and Loss. Dividend Income is recognized when the right to receive payment is established. Insurance Claims receivable on account of insurance are accounted for on receipt basis.

Revenue from Export Incentives is accounted for on Export of Goods, if the entitlements can be estimated with reasonable assurance and condition precedent to claim are fulfilled

1.4 Property, Plant and Equipment

Tangible assets: Property, Plant and Equipment are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets, if any.

Depreciation: Depreciation is provided for Property, Plant and Equipment on a Straight Line Method so as to expenses the Cost less Residual Value over their useful lives as prescribed in Schedule II of the Companies Act, 2013. The Estimated Useful Lives and Residual Value are reviewed at the end of each Reporting Period, with the effect of any change in estimate accounted for on a prospective basis. Depreciation is not recorded on capital work-in progress, if any, until construction and installation is completed and the asset is for intended use.

Intangible Assets: The company does not have any Intangible asset.

1.5 Investments

All investments are classified as Long Term Investments. On initial recognition, all Investments are measured at Cost. The Cost comprises the Purchase Price and directly attributable acquisition charges such as Brokerage, Fees and Duties.

Long Term Investments are carried at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Long Term Investments.

On disposal of an investment, the difference between its Carrying Amount and Net Disposal Proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Valuation of Inventories

Inventories consists of Raw Materials, Work-in-progress, Finished Goods and Stores and Spares. Inventories are valued at the lower of Cost or Net Realizable Value. Cost is determined on Weighted Average basis.

Raw materials and Stores & Spares: Cost includes Purchasing Cost and other Costs incurred in bringing the Inventories to their present location and condition.

Finished Goods and Work-in-progress: Cost includes Cost of Direct Materials and labour and a proportion of Manufacturing Overheads based on the normal operating capacity on a Weighted Average basis. Cost of Finished Goods includes other costs incurred in bringing the Inventories to

their present location and condition. Net Realizable Value is the Estimated Selling Price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make it Salable.

1.7 Borrowing Costs

Borrowing cost attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing Cost consist of Interest, Other Cost that an entity incurs in connection with the borrowing of funds.

1.8 Employee Benefits

All Employee Benefits payable wholly within twelve months of rendering the service are classified as Short Term Employee Benefits. Benefits such as Salaries, Wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A Liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Statement of Profit and Loss.

1.9 Taxation

Provision of Current Income Tax in respect of the taxable income are measured at the amount expected to be paid to the Tax Authorities at the applicable tax rates. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Notes issued by the ICAI, the said asset is created by way of a credit to the statement of profit & loss and shown as MAT Credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

1.10 Foreign Currency Transactions:

Transactions denominated in foreign currencies are translated into functional currency using the exchange rate prevailing on the date of the transaction. In the case of items which are covered by forward exchange contracts, the difference between the rate at the date of the transaction and rate on the date of the contract is recognized as exchange difference. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement, except in case of long term liabilities (if any), where they relate to acquisition of fixed assets, in that case they are adjusted to the carrying cost of such assets.

1.11 Contingent liabilities:

Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note.

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

PARTICULARS	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
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2 SHARE CAPITAL:

AUTHORISED :

4000000 Equity shares of Rs. 10/- each	400.00	200.00
(Previous year 200000 Equity shares of Rs. 100/- each)		

ISSUED, SUBSCRIBED & PAID UP :

2854000 Equity shares of Rs. 10/- each	285.40	140.00
(Previous year 140000 Equity shares of Rs. 100/- each)		
Fully paid up in cash	285.40	140.00

(a) Reconciliation of the number of shares outstanding:

Equity Shares	As at 31.03.2023	As at 31.03.2022
Shares outstanding at the beginning of the year (FV 100/- each)	No. of shares	No. of shares
	140000	140000

Add: Bonus Shares issued during the year (FV 10/- each)	70	-	
Add: Fresh Shares issued during the year (FV 10/- each)	75	-	
Shares outstanding at the end of the year (FV 10/- each)*	285	140000	

*Face value of shares splitted during the year from Rs. 100/- each to Rs. 10/- ea

(b) The details of Shareholders holding more than 5% shares:

Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of shares*	% of shares	No. of shares	% of shares
Kuldip Bhargava	622800	21.82%	34030	24.31%
Satellite Developers Ltd.	518250	18.16%	34550	24.68%
Quality Stainless Pvt Ltd	184200	6.45%	12280	8.77%
Quality Bio Green Pvt. Ltd.	230550	8.08%	15370	10.98%
Tejasvi Bhargava	123600	4.33%	8140	5.81%
Kuldip Bhargava (HUF)	130050	4.56%	8670	6.19%
A. P. Bhargava (HUF)	-	-	7490	5.35%
Smt. Anshu Bhargava	115200	4.04%	7680	5.49%

*Face value of shares splitted from Rs. 100/- each to Rs. 10/- each)

(c) Promoters' Shareholding:

Name of the promoter	As at 31.03.2023		As at 31.03.2022		% change during
	No. of shares*	% of shares	No. of shares	% of shares	the year
Kuldip Bhargava	622800	21.82%	34030	24.31%	-2.49%
Tejasvi Bhargava	123600	4.33%	8140	5.81%	-1.48%
Kuldip Bhargava (HUF)	130050	4.56%	8670	6.19%	-1.63%
A. P. Bhargava (HUF)	-	0.00%	7490	5.35%	-5.35%
Smt. Anshu Bhargava	115200	4.04%	7680	5.49%	-1.45%
Tapasvi Bhargava	81900	2.87%	5460	3.90%	-1.03%
Jagdeep Bhargava	13500	0.47%	900	0.64%	-0.17%
Manjula Vasudeva	27000	0.95%	1800	1.29%	-0.34%
Quality Stainless Pvt Ltd	184200	6.45%	12280	8.77%	-2.32%
Quality Bio Green Pvt. Ltd.	230550	8.08%	15370	10.98%	-2.90%

*Face value of shares splitted from Rs. 100/- each to Rs. 10/- each.

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

PARTICULARS	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
3 RESERVE(S) AND SURPLUS:		
GENERAL RESERVE		
As per last Balance Sheet	82.10	82.10
Add: Transferred from Profit and Loss account	<u>70.00</u>	<u>-</u>
	152.10	82.10
Less: Transferred to Share capital account	<u>70.00</u>	<u>-</u>
	<u>82.10</u>	<u>82.10</u>
SECURITY PREMIUM		
As per last Balance Sheet	251.00	251.00
Add: During the year	<u>377.00</u>	<u>-</u>
	<u>628.00</u>	<u>251.00</u>
SURPLUS:		
Profit and Loss account		
As per last Balance Sheet	1495.26	1337.26
Less: Transferred to General Reserve	<u>70.00</u>	<u>-</u>
	1425.26	1337.26
Add: Profit for the period/year	<u>318.87</u>	<u>158.00</u>
	<u>1744.13</u>	<u>1495.26</u>
	<u>2454.23</u>	<u>1828.36</u>
4 LONG TERM BORROWINGS:		
SECURED:		
From Axis Bank Ltd.-Term Loan*	4.63	47.47
From Axis Bank Ltd. - WCTL under ECLGS**	285.00	437.00
From HDFC Bank Ltd.***	-	11.57
From Mercedes-Banz Fin. Services India Pvt Ltd..***	52.82	-
From Kotak Mahindra Bank Ltd.****	760.42	-
From Aditya Birla Housing Fin. Ltd.****	<u>-</u>	<u>809.51</u>
	1102.87	1305.55
UNSECURED:		
From Other parties:		
From Directors	-	147.70
From Shareholders	150.00	150.00
Inter-corporate Loans	<u>-</u>	<u>5.00</u>
	<u>150.00</u>	<u>302.70</u>
	1252.87	1608.25

*Loan is secured against: a) First pari-passu charge with other lenders on immovable property, on movable fixed assets of the company except financed exclusively charged by other banks and on present and future current assets of the company. The loan is repayable in monthly instalments. The loan carries rate of interest at 9.25% p.a.

**Secured by extension of existing charge by equitable mortgage on company's immovable properties and hypothecation of movable fixed assets both present and future. The loan is repayable in monthly instalments. The loan carries rate of interest ranging from 7% p.a. to 9.25% p.a., including current maturities.

***Secured by hypothecation of vehicles. The loan(s) are repayable in monthly instalments. The loan carries rate of interest ranging from 8% p.a. to 9% p.a.

****Secured by equitable mortgage of plot owned by the directors of the company. The loan is repayable in monthly instalments. The loan carries rate of interest ranging from 7.50% p.a. to 10.40% p.a.

Maturity Profile of borrowings are as set out below:

(Amount Rs. in Lakhs)

Particulars	Maturity Profile				Total
	FY 2023-24	FY 2024-25	FY 2025-26	Beyond FY 2025-26	
*Axis Bank Ltd.-Term Loan	42.84	4.63	-	-	47.47
**Axis Bank Ltd. - WCTL under ECLGS	152.00	129.00	104.00	52.00	437.00
***HDFC Bank -Car Loan	11.52	-	-	-	11.52
***Mercedes Benz Fin. Serv.- Car Loan	12.22	13.21	14.28	25.33	65.04
****Kotak Mahindra Bank Ltd.	53.36	57.04	62.33	641.05	813.78
Total	271.94	203.88	180.61	718.38	1374.81

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

PARTICULARS	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
5 LONG TERM PROVISIONS:		
Long Term Employee Benefits (gratuity)	193.04	187.09
	<u>193.04</u>	<u>187.09</u>
6 OTHER NON CURRENT LIABILITIES		
Securities	3.00	-
	<u>3.00</u>	<u>-</u>
CURRENT LIABILITIES:		
7 SHORT TERM BORROWINGS:		
Secured:		
From Banks:		
a. Working Capital Limits (Cash credit)	1954.35	1805.70
b. Letter of Credit payable	789.06	1159.66
c. Current maturities of long-term borrowings	271.95	233.88
	<u>3015.36</u>	<u>3199.24</u>
Note:		
Short term borrowings are secured by first pari-passu charge by hypothecation of raw materials, work-in-progress, finished goods, stores and spares, book debts and movable and immovable property, plant and machinery, land and building of the company. The rate of interest on borrowings ranging from 7.00% p.a. to 9.25% p.a.		
8 TRADE PAYABLES*		
Due to Micro and Small Enterprises	-	65.70
Due to others	57.38	315.22
	<u>57.38</u>	<u>380.92</u>
*Refer note no. 29		
9 OTHER CURRENT LIABILITIES		
Advance from customers	15.71	8.89
Advance against sale of land	-	100.00
Interest accrued but not due on borrowings	3.04	5.21
Statutory dues	9.69	10.07
Provision for Income tax (Net)	-	8.02
Other payables*	85.20	90.23
	<u>113.63</u>	<u>222.41</u>
*Including expenses payable.		
10 SHORT TERM PROVISIONS:		
Short Term Employee Benefits (gratuity)	51.60	39.09
	<u>51.60</u>	<u>39.09</u>

Quality Foils (India) Limited
Formerly known as *Quality Foils (India) Pvt. Ltd.*

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

11 PROPERTY, PLANT AND EQUIPMENTS:

TANGIBLE ASSETS

Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 31-03-2022	Additions during the year	Adjustments/ Transfers/ (Deductions)	Total Cost as at 31.03.2023	Upto 31-03-2022	During the Year	Adjustments/ Transfers/ (Deductions)	Total upto 31.03.2023	As at 31.03.2023	As at 31-03-2022
Land	160.16	1.86	4.82	157.19	-	-	-	-	157.19	160.16
Buildings	565.95	22.49	-	588.44	160.73	16.46	-	177.19	411.25	405.22
Plant & Equipments	2,657.73	39.29	-	2,697.02	1,314.81	104.57	-	1,419.39	1,277.63	1,342.92
Office Equipments	76.35	5.48	-	81.83	60.90	6.55	-	67.44	14.39	15.45
Furniture & Fixtures	16.76	8.11	-	24.86	11.84	0.99	-	12.83	12.04	4.92
Vehicles	197.94	79.21	53.53	223.61	94.61	24.02	41.36	77.27	146.34	103.33
Total	3,674.87	156.43	58.35	3,772.95	1,643.88	152.60	41.36	1,755.12	2,018.84	2,031.99
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Total	3,674.87	156.43	58.35	3,772.95	1,643.88	152.60	41.36	1,755.12	2,018.84	2,031.99
Previous Year's	3,456.19	239.36	20.68	3,674.87	1,509.77	148.33	15.22	1,642.88	2,032.49	1,946.42

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

12 NONCURRENT INVESTMENTS

Particulars	Face value	No. of Shares	As at 31.03.2023		As at 31.03.2022	
			AMOUNT	No. of Shares	AMOUNT	
A. EQUITY SHARES (QUOTED)(At cost) :						
(a) JSW Energy Ltd.	10		8640	8.64	8640	8.64
(b) Orbit Corporation Ltd.	10		50000	20.02	50000	20.02
(c) Videocon Industries Ltd.	10		1300	7.92	1300	7.92
(d) Reliance Capital Ltd.	10		-	-	1000	27.97
(e) Reliance Home Finance Ltd.	10		-	-	1000	-
(f) Reliance Power Ltd.	10	27	0.07		27	0.07
Total - A			<u>36.65</u>		<u>64.62</u>	
B. EQUITY SHARES (UNQUOTED)(At cost) :						
(a) UB Stainless Ltd. (PAN: AAACW0404B)	10		5000	0.50	5000	0.50
(b) Quality Stainless Pvt. Ltd. (PAN: AAACQ0726A)	10	144600	2.89		144600	2.89
Total - B			<u>3.39</u>		<u>3.39</u>	
GRAND TOTAL (A+B)			<u>40.05</u>		<u>68.01</u>	
Aggregate Market value of quoted investments			<u>25.93</u>		<u>26.38</u>	

13 LONG TERM LOANS AND ADVANCES

(Unsecured and considered good)

Advances to suppliers of capital goods	<u>52.04</u>	-
	<u>52.04</u>	<u>-</u>

14 OTHER NON CURRENT ASSETS

(Unsecured and considered good)

Security deposits	<u>66.79</u>	<u>57.10</u>
	<u>66.79</u>	<u>57.10</u>

15 INVENTORIES

i. Raw Material	750.18	375.52
ii. Work-in-progress	469.22	1047.44
iii. Finished Goods	171.79	205.82
iv. Stores, spares and consumables	<u>308.26</u>	<u>293.58</u>
	<u>1699.45</u>	<u>1922.37</u>

16 TRADE RECEIVABLES#

Secured, considered good	-	-
Unsecured, considered good*		
i. Less than six months	2968.49	3238.25
ii. More than six months	47.00	118.51
Doubtful	-	-
	<u>3015.49</u>	<u>3356.75</u>

Refer note no. 30

*Including Rs. 210.67 lakhs (Previous year Rs. 140.49 lakhs) trade receivables from Private Ltd. Co. (related party).

17 CASH AND CASH EQUIVALENT

(a) Cash and cash equivalent

Cash on hand	0.49	1.28
Balance with Banks in Current Accounts	466.00	31.07

(b) Other Bank balances

In Term deposit accounts (Maturity more than 3 months but less than 12 months*)	<u>113.54</u>	<u>130.79</u>
	<u>580.03</u>	<u>163.13</u>

*Pledged with Banks as margin money)

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

PARTICULARS	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022
18 SHORT TERM LOANS AND ADVANCES:		
(Unsecured and considered good)		
Advance to suppliers	69.65	20.88
	<u>69.65</u>	<u>20.88</u>
19 OTHER CURRENT ASSETS:		
(Unsecured and considered good)		
Balance with revenue authorities	44.47	171.74
Prepaid expenses	11.97	11.39
Advance Income Tax/TDS (Net)	8.02	-
Other receivables	13.93	31.18
	<u>78.39</u>	<u>214.31</u>
PARTICULARS	2022-23	2021-22
20 REVENUE FROM OPERATIONS		
Sales of Products	18372.76	17795.35
Job Work	256.87	167.05
Duty Draw back & other export benefits	6.62	16.18
	<u>18636.25</u>	<u>17978.58</u>
21 OTHER INCOME :		
Interest received	29.57	40.57
Dividend received	0.17	0.17
Foreign Currency Fluctuation	7.99	7.27
Liabilities written back	2.04	1.86
Rent Received	14.40	0.00
Miscellaneous Income	0.81	1.17
Profit on sale of fixed assets	3.22	1.01
	<u>58.20</u>	<u>52.06</u>
22 COST OF MATERIAL CONSUMED		
RAW MATERIAL CONSUMED :		
Opening Stock	375.52	248.46
Add: Purchases (Net of discounts)	15645.22	15907.50
	16020.75	16155.96
Less: Closing stock	750.18	375.52
Cost of Material consumed	<u>15270.57</u>	<u>15780.44</u>
23 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS		
Opening Stock of Finished Goods	205.82	97.21
Opening Stock of work-in-progress	1047.44	605.13
	<u>1253.27</u>	<u>702.34</u>
Closing Stock of Finished Goods	171.79	205.82
Closing Stock of work-in-progress	469.22	1047.44
	<u>641.01</u>	<u>1253.27</u>
Changes in Inventories	<u>612.26</u>	<u>-550.92</u>
24 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and Other Benefits	518.26	504.45
Contribution to Provident and Other Funds	32.85	37.53
Workmen and staff welfare	13.22	9.86
	<u>564.32</u>	<u>551.84</u>

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

QUALITY FOILS (INDIA) LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Rs. In Lakhs)

PARTICULARS	2022-23	2021-22
25 FINANCE COST:		
Interest paid to Banks	279.19	203.13
Interest paid to others	71.40	101.35
Other Finance Cost	<u>13.23</u>	<u>21.12</u>
	<u>363.82</u>	<u>325.60</u>
26 OTHER EXPENSES		
a. MANUFACTURING EXPENSES:		
Store, Spares and consumables	562.17	578.96
Power and Fuel	534.65	622.90
Job charges paid	3.15	6.17
Freight Inward	7.04	5.55
Repair and Maintenance - Machinery	24.35	17.10
Repair and Maintenance - Factory Building	<u>13.99</u>	<u>8.77</u>
Sub-total	<u>1145.35</u>	<u>1239.44</u>
b. SELLING, ADMINISTRATIVE & OTHERS:		
Advertisement and publicity	0.06	0.19
Auditors' Remuneration	0.60	0.52
Books and Periodicals	0.09	0.13
Business Promotion Expense	30.14	8.45
Commission on sales	17.46	12.27
Discount and Rebates	3.81	3.53
Donations	0.63	1.15
Fee and Subscription	16.41	9.88
Freight Outward	123.62	153.62
Rates and Taxes	0.18	0.72
Insurance Charges	11.80	15.12
IPO Expenses	43.45	-
Legal and Professional Charges	8.17	5.28
General Expenses	5.34	3.58
Postage and Telephone	6.75	4.56
Printing and Stationery	3.47	2.31
Rent paid	31.35	31.09
Repair and Maintenance - misc.	1.33	1.26
Sundry Balances w/off	0.05	5.68
GST/Input Tax/Service Tax	0.50	23.74
Travelling and Conveyance	38.65	8.62
Vehicles Running and Maintenance	18.55	12.95
Water Expenses	7.13	8.07
Bad debts	<u>0.65</u>	<u>1.52</u>
Sub-total	<u>370.17</u>	<u>314.25</u>
GRAND TOTAL	<u>1515.52</u>	<u>1553.69</u>

QUALITY FOILS (INDIA) LIMITED
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Notes on Financial Statements for the Year ended 31st March, 2023

27. Share Capital

i.) Authorised Share Capital: During the year, the Authorised Share Capital of the Company has been increased from Rs. 2.00 Crores to Rs. 4.00 Crores vide approval of the Shareholders in the Extra-Ordinary General Meeting held on 12.11.2022. The Authorised Share Capital of the Company as on March 31, 2023 is Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of Rs.10/- each.

ii) Bonus Issue: During the year, the Company has made an allotment of 7,00,000 Equity Shares of Rs. 10/- each, as Fully Paid-up Equity Shares, in the ratio of 1:2 (i.e., 1 Equity Shares for every 2 Equity Share held) on 12.11.2022 to the existing shareholders.

iii) Public Issue: The Company has made a Public Issue of 7,54,000 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 60/- each. The Offer was open from March 14, 2023 to March 16, 2023. The Equity Shares of the Company is listed on the SME Platform of NSE (NSE EMERGE) on 24.03.2023.

28. Utilization of IPO Proceeds

The following are the details of the utilization of IPO proceeds as at 31.03.2023:

(Rs. In lakh)			
S No	Particulars	Original Allocation	Funds Utilised
1	Capital Expenditure Requirements	151.21	-
2	Working Capital Requirements	225.00	-
3	General Corporate Purposes	36.19	-
4	IPO Expenses	40.00	40.00
	Total	452.40	40.00

The un-utilised proceeds of Rs. 412.40 lakh is maintained with Scheduled Commercial Bank. The same will be used in accordance with the Prospectus dated 01.03.2023 filed by the Company.

29. Trade Payables:

i. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below *:

(Rs. In lakhs)			
Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount due outstanding	-	65.70
2	Interest due on (1) above and unpaid	-	-
3	Interest paid to the supplier(s)	-	-
4	Payments made to the supplier(s) beyond the appointed day during the year.	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

* To the extent information available with the company.

(ii).Trade Payables Ageing:

Ageing as at 31.03.2023	Rs. In lakh
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Quality Foils (India) Limited
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Particulars	Less than 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
MSME	-	-	-	-	-
Others	57.38	-	-	-	57.38
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	57.38	-	-	-	57.38

Ageing as at 31.03.2022

Particulars	Rs. In lakh					Total
	Less than 1 year	1 year – 2 year	2 year – 3 year	More than 3 year		
MSME	65.70	-	-	-	-	65.70
Others	315.22	-	-	-	-	315.22
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
TOTAL	380.92	-	-	-	-	380.92

30. Trade Receivables Ageing:

Ageing as at 31.03.2023

Particulars	Not Due	Rs. In lakh					Total
		Less than six months	Six months – 1 year	1 year – 2 year	2 year – 3 year	More than 3 years	
Undisputed trade receivables- considered good	1405.15	1563.34	2.83	4.84	1.67	8.13	2985.96
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	29.53	29.53
Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
TOTAL							3015.49

Ageing as at 31.03.2022

Particulars	Not Due	Rs. In lakh					Total
		Less than six months	Six months – 1 year	1 year – 2 year	2 year – 3 year	More than 3 years	
Undisputed trade receivables- considered good	1,832.70	1,405.53	6.51	1.75	2.93	5.29	3,254.71
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	18.81	50.53	32.70	102.04

Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
TOTAL	1,832.70	1,405.53	6.51	20.56	53.46	37.99	3,356.75

31. Contingent Liabilities (To the extent not provided for):

		(Rs. In lakh)
	<u>31.03.2023</u>	<u>31.03.2022</u>
(a) Inland Bills discounted	32.73	-

32. Information regarding Related parties and transactions with them:

A. List of Key Management Personnel and related parties:

a. Key Management Personnel:

- i. Sh. Kuldip Bhargava - Director
- ii. Sh. Tejasvi Bhargava - Director
- iii. Sh. Yashvir Singh - Director
- iv. Sh. Birdhi Chand Jain - CFO
- v. Ms Meenakshi - CS

b. Relatives of Key Management Personnel:

- i. Smt. Divya Bhargava
- ii. Smt. Preet Bhargava
- iii. Smt. Anita Jain

c. Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have taken place during the year:

- i. Quality Stainless Pvt Ltd.
- ii. Quality Bio Green Pvt. Ltd.
- iii. Aurum Fabrications

d. Transactions with related parties: Rs. in lakh

Particulars	Nature of relationship	Name of related party	31 st March, 2023	31 st March, 2022
Managerial Remuneration	KMP	Sh. Kuldip Bhargava	60.62	60.22
		Sh. Tejasvi Bhargava	48.62	48.22
		Sh. Yashvir Singh	4.05	3.89
		Sh. Birdhi Chand Jain	11.12	10.48
		Ms Meenakshi	1.76	-
Interest paid	KMP	Sh. Tejasvi Bhargava	3.69	10.23
Remuneration	Relatives of KMP	Mrs. Divya Bhargava	6.22	3.82
		Mrs. Preet Bhargava	6.22	3.82
		Mrs. Anita Jain	5.51	5.03
Sales and other services	Associate	Quality Stainless Pvt.	1124.92	2418.81

Quality Foils (India) Limited
Formerly known as *Quality Foils (India) Pvt. Ltd.*

	concern	Ltd. Aurum Fabrication	1.10	2.59
Purchases and other services	Associate concern	Quality Stainless Pvt. Ltd.	-	17.71
Receivable from	Associate concern	Quality Stainless Pvt. Ltd.	210.67	140.49
Payable to	KMP	Sh. Tejasvi Bhargava	-	147.70

33. Additional information:

(Rs. In Lakh)

Current Year

Previous Year

i)	Gross Income from Job Work:		256.87		167.05
ii)	Raw material Consumption:				
	SS Strips and other goods		15270.57		15780.44
iii)	Break-up of consumption of Raw Materials and Stores & Spares into Imported and Indigenous:				
a.	Raw Materials/purchases:	%	Rs.	%	Rs.
	Imported:	-	-	-	-
	Indigenous	100	15270.57	100	15780.44
b.	Stores & Spares:				
	Imported:	3	16.59	-	-
	Indigenous	97	545.58	100	578.96
v)	Value of Imports on CIF Basis Capital Goods		-		68.83
vi)	Earnings in foreign exchange FOB value of exports		477.19		1030.16
vii)	Expenditure in Foreign Currency:				
	1. Commission		1.19		-
	2. Business Promotion expenses		4.49		-

34. Earnings Per share:

(Rs. In lakh)

S NO.	Particulars	Current Year	Previous Year
1	Net profit for computation of Basic and Diluted EPS:-		
	➤ From ordinary activities	186.87	158.00
	➤ From extraordinary items	132.00	-
2	Weighted average number of equity shares for Basic and Diluted EPS	28,54,000	14,00,000

Quality Foils (India) Limited
Formerly known as *Quality Foils (India) Pvt. Ltd.*

	(Previous year restated at Rs. 10/- each)		
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The Earnings per Share (EPS) has been computed in accordance with the Accounting Standards on Earnings per Share.

35. Ratios:

Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	1.68	1.49	12.82%	
Debt-equity ratio	Total Borrowings	Total equity	1.56	2.44	-36.15%	Decrease is due to increase in share capital.
Debt service coverage ratio	Profit before tax, interest, depreciation	Net finance cost+principal repayments of long term borrowings	0.97	1.06	-8.09%	
Return on Equity	Profit after tax	Total equity	11.64	8.07%	44.22%	Increase is due to profits on sale of fixed assets.
Inventory turnover (no. of days)	Average Inventory	Cost of production	38	36	4.37%	
Trade receivables turnover (no. of days)	Average Trade receivables	Sale of products	62	62	-	
Trade payables turnover (no. of days)	Average Trade payables	Cost of material consumed+changes in inventory	5	5	-	
Net capital turnover	Net sales	Current assets-current liabilities	8.45	9.65	-12.42%	
Net profit	Profit after	Total revenue	1.71	0.88%	93.82%	Increase

Quality Foils (India) Limited
Formerly known as Quality Foils (India) Pvt. Ltd.

margin (%)	tax					is due to profits on sale of fixed assets.
Return on capital employed	Profit before tax and interest	TNW+ total debts	13.21	12.56%	5.21%	
Return on investments	Current MV – cost of investments	Cost of investments	-	-	-	-

36. Deferred tax has been provided in accordance with Accounting Standard 22 on Accounting for taxes on Income issued by the ICAI.

37. Previous year's figures have been re-arranged and/ or re-grouped wherever considered necessary and practicable to make them comparable with current year's figures.

Signatures to Notes `1' to `37':

Auditor's Report

As per our report of even date attached.

**For and on behalf of the Board of Directors of
Quality Foils (India) Limited**

FOR V S JAIN & ASSOCIATES
Chartered Accountants
(Firm's registration no. 003533N)

Sd/-
TEJASVI BHARGAVA
(Managing Director)
(DIN: 00011205)

Sd/-
KULDIP BHARGAVA
(Chairman & Director)
(DIN: 00011103)

Sd/-
(CA SANDEEP KUMAR JAIN)
Partner
(M.NO.: 511237)
UDIN: 23511237BGQECL6131

Sd/-
Ms. MEENAKSHI
(Company Secretary)

Sd/-
BIRDHI CHAND JAIN
(Chief Financial Officer)

Place: Hisar
Dated: May 23, 2023

QUALITY FOILS (INDIA) LIMITED
(Formerly known as Quality Foils (India) Private Limited)
(CIN: U27107HR1990PLC030929)

STATEMENT OF FUNDS UTILISED

Name of Listed Entity				QUALITY FOILS (INDIA) LIMITED		
Mode of Fund Raising				Public Issue		
Date of Raising Funds				24/03/2023		
Amount Raised				Rs. 452.40 Lakh		
Report filed for Half-year ended				31/03/2023		
Monitoring Agency				NA		
Monitoring Agency Name				NA		
Is there a Deviation/Variation in use of Funds raised?				No		
Whether any approval is required to vary the Objects of the issue stated in the Prospectus / Offer Document?				No		
If yes, details of the approval so required?				NA		
Date of Approval				NA		
Explanation for the Deviation / Variation				NA		
Comments of the Audit Committee after review				Nil		
Comments of the Auditors, if any				Nil		
Objects for which funds have been raised and where there has been a deviation, in the following table				No Deviation		
Original Objects	Modified Object if any	Original Allocation (Amount in Rs. Lakh)	Modified Allocation, if any	Funds Utilised (Amount in Rs. Lakh)	Amount of Deviation / Variation for the half year according to Applicable Object	Remarks if any
Capital Expenditure Requirements	NA	151.21	NA	Nil	NA	NA
Working Capital Requirements	NA	225.00	NA	Nil	NA	NA
General Corporate Purposes	NA	36.19	NA	Nil	NA	NA
IPO Expenses	NA	40.00	NA	40.00	NA	NA

Deviation could mean:

- (a) Deviation in the Objects or purposes for which the Funds have been raised
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.
- (c) Change in terms of Contract referred to the Fund raising document i.e., Prospectus / Letter of Offer, etc.