



CIN L27320UP1985PLC007582

RAKAN STEELS LIMITED

Regd Office : Rakan I.T.I., NH-2, 1 Km Before Bara Tall Plaza,
Umran, Rania, Kanpur Dehat - 209311
Website : www.rakansteels.co.in

Date: 26.08.2025

To
The Secretary
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED
Vibgyor Towers, 4th Floor, Plot No. C 62,
G-Block, Bandra(E),
Mumbai-400098

Dear Sir/Madam,

Subject: Annual Report of the Company for the financial year ended March 31, 2025.
Ref: ISIN: INE773R01026

With reference to the aforesaid subject, we would hereby like to furnish to your good office the Annual Report of **Rakan Steels Limited** pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2025.

The **38th Annual General Meeting** of the Company is scheduled to be held on **Tuesday, September 30, 2025 at 03:00 p.m. (IST)** at the Registered Office of the Company at NH-2 (1 KM FROM BARA TOLL PLAZA), UMRAN, RANIA, KANPUR DEHAT-209311.

Therefore, it would be kind on your part to take the same into your records and oblige.

Thanking You
Yours faithfully

For **Rakan Steels Limited**

Vrinda Agarwal
(Company Secretary & Compliance Officer)

Encl: Annual Report for 2024-2025



RAKAN STEELS LIMITED

(CIN: L27320UP1985PLC007582)

38TH ANNUAL REPORT 2024-2025

Regd. Off.: NH-2 (1 km from Bara Toll Plaza) Umran, Rania, Kanpur Dehat-209311

E-mail: support@rakansteels.com

Website: www.rakansteels.co.in

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COMPANY'S PROFILE

BOARD OF DIRECTORS

Mr. Kannan Agarwal
Managing Director

Mrs. Bindu Agarwal
Executive Director

Mr. Rishabh Agarwal
Non- Executive Director

Mr. Manish Chandra
Independent Director

Ms. Shefali Raj
Independent Director

CHIEF FINANCIAL OFFICER

Mrs. Kashish (Grover) Agarwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Vrinda Agarwal

BANKERS

State Bank of India

H.D.F.C Bank Limited

Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

M/S Skyline Financial Services Private Limited

D-153-A, 1st floor, Okhala Industrial Area, Phase I, New Delhi- 110020

STATUTORY AUDITORS

M/s Vishal Maheshwari & Company
(Chartered Accountants)

Add: 205-A Anand Tower, 117/K/13
Sarvodaya Nagar, Kanpur-25

SECRETARIAL AUDITORS

M/s V. Agnihotri & Associates
(Company Secretaries)

Add: 401, Kan Chambers,
Civil Lines, Kanpur-208001

INTERNAL AUDITORS

Ms. Vrinda Agarwal
(Company Secretary)

REGISTERED OFFICE

NH-2 (1 km from Bara Toll Plaza)
Umran, Rania, Kanpur Dehat-209311

CORPORATE OFFICE

Anand Palace, 10/499, Allen Ganj,
Kanpur-208002

E-MAIL I.D. & CONTACT NO. FOR INVESTORS:

E- Mail ID: support@rakansteels.co.in

Website: www.rakansteels.co.in;

Tel no.: (+91) 9598668666; 9129128786;

Fax No.: 0512-2544025

MANAGING DIRECTOR'S MESSAGE



Demonstrating resolute strength and unwavering determination

Dear Stakeholders and Partners,

Greetings! I hope this message finds you in good health and high spirits.

Building a Stronger Future Together

Today, I present to you our Annual Report for the financial year 2024-25. This has been a year of learning, adapting, and steady progress despite various market challenges.

Global and Indian Economic Scene

The world economy is slowly finding its balance after years of uncertainty. New technologies and green energy projects are driving growth, with experts predicting a 3.5% increase in global economic activity for 2025.

India remains a bright spot on the world map. Our country's economy expanded by 8.2% this year, making us the fastest-growing economy globally. The government's focus on building better infrastructure, from highways to digital networks - is creating new opportunities for businesses across all sectors.

Steel Sector Developments

India's appetite for steel keeps growing and this year it consumed around 140 million tons, driven by booming construction activity and expanding manufacturing. What's exciting is that companies are now prioritizing cleaner, more sustainable production methods.

At Rakan Steels, we're embracing these changes by upgrading our processes and investing in environmentally responsible practices. This helps us stay competitive while doing our part for the planet.

Rakan's Journey This Year

Rakan I.T.I. - Shaping Tomorrow's Workforce

Our Industrial Training Institute remains close to our hearts. Under the esteemed umbrella of the Rakan Group of Institutions, Rakan (Private) I.T.I stands as a beacon of technological empowerment. We've been busy preparing young minds for the jobs of tomorrow. This year, we strengthened our partnerships with leading companies, ensuring our students get hands-on experience with the latest technologies.

Watching our graduates land good jobs and build successful careers gives us immense satisfaction. We're not just running a training center - we're helping families improve their lives and contributing to India's skill development mission.



Steel Manufacturing Operations

Our steel division has been working smart, not just hard. We've focused on improving efficiency while maintaining the high quality of products as our customers expect. Despite facing higher input costs, we've managed to serve our clients in the construction, automotive, and industrial sectors effectively.

Building lasting relationships with our customers has been key to our stability during these challenging times. We listen to their needs and adapt our offerings accordingly.

Financial Snapshot

Our revenue for this year was Rs. 1,243.60 Lakhs compared to Rs. 1,700.70 Lakhs last year, showing a decline due to challenging market conditions. However, I'm pleased to report that our net profit improved significantly to Rs. 11.08 Lakhs from Rs. 6.89 Lakhs in the previous year.

While the revenue drop was disappointing, our ability to increase profitability by over 60% demonstrates our improved operational efficiency and better cost management. This shows that we're learning to do more with less and making smarter business decisions.

Our Greatest Asset - Our Team

I firmly believe that our employees are what make Rakan special. We've continued our "People First" approach, ensuring everyone feels valued and has opportunities to grow professionally.

We invest in training programs, maintain safe working conditions, and encourage innovation at every level. When our team members are engaged and motivated, everything else falls into place - better products, happier customers, and stronger business results.

What's Next for Us

Despite the challenges, we're excited about what lies ahead. Infrastructure development across India is creating demand for quality steel. Our plans include:

- Modernizing our production facilities with the latest technology
- Expanding our presence in emerging market segments
- Strengthening our commitment to sustainable practices
- Growing our training institute to reach more students

A Note of Appreciation

Success in business is never a solo effort. I'm deeply grateful to our shareholders for their continued faith in our vision. Our Board members and key personnel have provided valuable guidance throughout the year. Most importantly, our hardworking employees have shown remarkable dedication during challenging times.

Our customers and suppliers have also stood by us, proving that strong relationships are the foundation of lasting business success.



As we move into 2025, we carry forward the lessons learned and the strength gained from overcoming obstacles together. With your continued support, we're confident about creating more value and contributing meaningfully to India's growth story.

Thank you for being part of the Rakan family.

Warm regards,

Sd/-

Kannan Agarwal
(Managing Director)



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

This Management's Discussion and Analysis (MD&A) report, prepared in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, presents a comprehensive evaluation of Rakan Steels Limited's operational and financial performance for the fiscal year ended March 31, 2025.

The report encompasses management's strategic perspective on the macroeconomic environment, industry dynamics, operational performance, financial position, risk management framework, and future growth prospects. It provides stakeholders with critical insights into the Company's value creation strategies, business resilience, and commitment to sustainable growth while navigating an evolving market landscape.

The Company's financial statements have been meticulously prepared in accordance with Indian Accounting Standards (Ind AS), ensuring full compliance with the Companies Act, 2013, and relevant SEBI regulations.

INDUSTRY OVERVIEW AND MARKET DYNAMICS

The steel industry demonstrated resilience during FY 2024-25, recovering from the previous year's challenges. The Indian steel sector benefited from robust domestic demand driven by government infrastructure initiatives, manufacturing growth, and favorable policy support. Key factors influencing the industry included sustained construction activity, automotive sector recovery, and improved export opportunities.

However, the industry continued to face challenges including raw material price volatility, environmental compliance requirements, and competitive pressures from both domestic and international players.

Global Steel Industry Landscape

The global steel industry during FY 2024-25 demonstrated remarkable resilience amid evolving geopolitical tensions, supply chain realignments, and shifting demand patterns. The industry witnessed a gradual recovery from the previous year's challenges, supported by infrastructure development initiatives across emerging economies and sustained industrial activity.



Indian Steel Sector Performance

The Indian steel sector emerged as a bright spot in the global landscape, driven by robust domestic demand, government infrastructure spending, and favorable policy initiatives. Key developments included:

- **Infrastructure Push:** The government's continued emphasis on infrastructure development, including railways, highways, and urban development projects, sustained steel demand
- **Manufacturing Growth:** The resurgence of manufacturing activities under various government schemes bolstered steel consumption
- **Export Opportunities:** Improved global trade dynamics created new export opportunities for Indian steel manufacturers
- **Technology Adoption:** Accelerated adoption of advanced manufacturing technologies and digitalization initiatives

COMPANY PERFORMANCE

Rakan Steels Limited achieved improved operational performance during FY 2024-25, successfully capitalizing on market recovery and implementing strategic initiatives. The Company focused on operational excellence, cost optimization, and quality enhancement to strengthen its market position.

Key operational achievements included:

- Enhanced production efficiency through process improvements
- Improved capacity utilization rates
- Successful implementation of quality management systems
- Investment in technology upgrades and modernization

Financial Performance

The Company's financial performance showed significant improvement compared to the previous year:

- Revenue growth achieved through better pricing
- Improved gross profit margins due to operational efficiency gains
- Enhanced working capital management resulting in better cash flows
- Strengthened balance sheet through prudent financial management

OPERATIONAL HIGHLIGHTS

During FY 2024-25, Rakan Steels Limited implemented several strategic initiatives:



The Company focused on building sustainable competitive advantages through strategic investments and operational improvements:

Technology and Infrastructure

- Investment in advanced manufacturing technologies
- Upgrading of production facilities for improved efficiency
- Implementation of digital systems for better operational control
- Enhanced quality control processes

Sustainability Initiatives

- Implementation of energy-efficient technologies
- Waste reduction and recycling programs
- Environmental compliance improvements
- Water conservation measures

FINANCIAL OVERVIEW

During FY 2024-25, Rakan Steels Limited implemented several strategic initiatives:

The Company focused on building sustainable competitive advantages through strategic investments and operational improvements:

Revenue and Profitability

- Achieved sustainable revenue growth through market expansion
- Improved profitability through cost optimization measures
- Enhanced operational margins due to efficiency improvements
- Better pricing strategies aligned with market conditions

Financial Position

- Improved working capital management
- Enhanced liquidity position for operational requirements
- Optimal debt management maintains financial stability
- Strategic investments in growth opportunities

RISK MANAGEMENT

Rakan Steels Limited maintains a comprehensive risk management framework addressing key business risks:



Market Risks

- Raw material price volatility managed through supplier diversification
- Foreign exchange risk mitigation through hedging strategies
- Demand fluctuation risks addressed through market diversification

Operational Risks

- Implementation of safety protocols and quality systems
- Business continuity planning for operational disruptions
- Technology and cyber security risk management

Financial Risks

- Interest rate risk management through optimal debt structure
- Credit risk mitigation through customer assessment procedures
- Liquidity risk management through cash flow planning

FUTURE OUTLOOK

Market Opportunities

The Company is well-positioned to capitalize on emerging opportunities. Some opportunities are briefed below:

- Continued infrastructure development is driving steel demand
- Manufacturing sector growth is creating new market segments
- Export opportunities in global markets
- Technology adoption enabling premium product development

Strategic Priorities

Looking ahead, Rakan Steels Limited will further focus on:

- Operational excellence and cost optimization
- Market expansion and customer diversification
- Technology advancement and product innovation
- Sustainability and environmental initiatives

INTERNAL CONTROL SYSTEM & ITS ADEQUACY

Internal Financial Controls

The Company maintains robust internal financial control systems ensuring:



- Proper authorization and recording of all transactions
- Safeguarding of company assets and resources
- Reliable and timely financial reporting
- Compliance with applicable statutes and regulations

The Company's internal financial controls are adequate and effective, considering the current business operations and regulatory requirements. They include an Independent internal audit function, Regular management review and monitoring, Board oversight of key control systems and/or Continuous improvement of control processes.

CAPITAL EXPENDITURE HUMAN RESOURCE

As of March 31, 2025, Rakan Steels Limited employed 28 professionals, representing strategic growth in our workforce. The Company emphasizes:

- Talent acquisition and retention strategies
- Continuous skill development and training programs
- Employee welfare and safety initiatives
- Performance-based reward systems
- Promoting diversity and equal opportunities

The Company maintains cordial industrial relations and focuses on creating a positive work environment that encourages innovation and productivity.

STATUTORY COMPLIANCES

Rakan Steels Limited maintains exemplary compliance standards across all regulatory requirements, including but not limited to compliance with the Companies Act, 2013, SEBI Regulations, Environmental and pollution control norms and Labor law and employment regulation.

The Managing Director reports quarterly to the Board regarding compliance status across all applicable statutes, ensuring comprehensive monitoring and adherence.

CAUTIONARY STATEMENT

This Management's Discussion and Analysis contains forward-looking statements based on current expectations and assumptions. These statements involve risks and uncertainties that may cause actual results to differ materially from those expressed or implied.

Factors that could influence actual results include changes in economic conditions, raw material prices, regulatory policies, competition, and market dynamics. The Company

undertakes no obligation to update these forward-looking statements. Stakeholders are advised to exercise caution when relying on such statements.



CONCLUSION

Financial Year 2024-25 marked a successful period for Rakan Steels Limited, demonstrating improved operational and financial performance. The Company successfully navigated market challenges while implementing strategic initiatives that strengthened its competitive position.

Our focus on operational excellence, financial discipline, and sustainable practices has positioned the Company favorably for future growth. We remain committed to creating value for all stakeholders through continued innovation, quality enhancement, and responsible business practices.

The Company expresses gratitude to all stakeholders—shareholders, employees, customers, suppliers, and the community—for their continued support and confidence in our strategic direction.



NOTICE OF 38TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY-EIGHT ANNUAL GENERAL MEETING (AGM) OF MEMBERS OF RAKAN STEELS LIMITED ("THE COMPANY") WILL BE HELD ON TUESDAY, SEPTEMBER 30, 2025 AT 03:00 P.M. IST AT NH-2 (1KM FROM BARA TOLL PLAZA), UMRAN, RANIA, KANPUR DEHAT-209311 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No.1-Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2025 along with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, the reports of the Board of Directors and Auditors there on laid before this meeting be and are hereby considered and adopted."

Item No. 2- Appointment of Mrs.Bindu Agarwal as a director liable to retire by rotation

To appoint Mrs. Bindu Agarwal (DIN: 01578595), Director who retires by rotation and who being eligible offers herself for re-appointment and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, rules framed there under and other applicable provisions, if any, Mrs. Bindu Agarwal (DIN: 01578595) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."



SPECIAL BUSINESS:

Item No. 3- Regularization of Ms. Shefali Raj (DIN: 09788801) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, and 152 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Shefali Raj (DIN:09788801), who was appointed as an Additional Director in the category of Non-Executive (Independent Director) of the Company with effect from 13/11/2024, and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a term of [five] consecutive years commencing from September 30th, 2025, and who shall not be liable to retire by rotation.”

Item No. 4: To Appoint Secretarial Auditor of the Company

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded to appoint M/s. V. Agnihotri & Associates, Practicing Company Secretary as the secretarial auditor of the Company, for a term of five (5) years, commencing from the financial year 2025-26 till the financial year 2029-30 i.e. April 01, 2025 until March 31, 2030, on such remuneration as may be mutually agreed upon between the Secretarial Auditor and the Board of Directors of the Company.



RESOLVED FURTHER THAT any of the director be and is hereby authorized to sign, execute, and file all necessary documents, forms, and returns with the appropriate authorities and to do all such acts, deeds, and things as may be necessary or incidental to give effect to this resolution.”

**By the order of the Board
For RAKAN STEELS LIMITED**

Date-14.08.2025

Place-Kanpur

**Sd/
Vrinda Agarwal
(Company Secretary &
Compliance Officer)**

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/
RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING
REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS**

Item No. 2

Name	Bindu Agarwal
Date of Birth	29/01/1967
Appointment	w.e.f. 12.10.2022
Address	702, Anand Palace, 10/499-A, Allen Ganj, Kanpur- 208002
Designation	(Executive Director)
DIN	01578595
PAN	ABOPA5018K
EMAIL ID	kannanagarwal@yahoo.com
Expertise	Business
Nationality	Indian



Chairman /Member in the committees of the Boards of Companies in which she is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	She is member of Audit Committee and Stakeholder relationship Committee of Rakan Steels Limited.
Relationship between director's inter-se, if any	Mrs. Bindu Agarwal is mother of Mr. Kannan Agarwal, Managing director of the company.
Brief Profile	<p>Mrs. Bindu Agarwal is a Graduate.</p> <p>She has been in business industries for more than 15 years.</p> <p>She has been a successful entrepreneur and has an expertise to manage the business strategically.</p> <p>She has been associated with Rakan steels limited as a director previously also.</p> <p>On account of past experiences of Mrs. Bindu Agarwal, the Board would be strengthened and definitely company will be benefited at the current scenario.</p> <p>Under her expert supervision, Board would become more efficient to contribute towards the growth and success of the organization.</p>

Item No. 3

Name	Shefali Raj
Date of Birth	10/12/1972
Appointment	w.e.f. November 13th, 2024
Address	117/L-18, Naveen Nagar Kakadeo, Kanpur-208025
Designation	Independent Director



DIN	09788801
PAN	AFAPA2298F
EMAIL ID	shefali@shefaliraj.com
Expertise	Business
Nationality	Indian
Chairman /Member in the committees of the Boards of Companies in which she is Director (includes only Audit Committee, Stakeholder relationship Committee and Nomination and Remuneration Committee)	<p>She is member of Audit Committee and Nomination and Remuneration Committee of Rakan Steels Limited, Jakson Limited, and Jakson Engineers Limited.</p> <p>She is Chairperson of Stakeholder relationship Committee of Rakan Steels Limited.</p>
Relationship between director's inter-se, if any	NA
Brief Profile	<p>Mrs. Shefali Raj, a distinguished educationist and versatile professional, excels in entrepreneurship, linguistics, life coaching, and consulting, serves as an Independent Director of the company. She pioneers skill-based training initiatives with government bodies, earning prestigious accolades such as the Governor's Excellence in Education Medal, FICCI Flo Outstanding Director award, and Rani Lakshmi Bai Award for Career Excellence. Engaging in public-private educational partnerships, she contributed towards talent development projects in Uttar Pradesh & collaborates with the Kanpur Administration on social initiatives like Kanpur Vision 2047, Swachh Bharat & Environment Campaigns, and Rehabilitation Programs for Prisoners. Her philanthropic endeavours extend through the NGO "ARTH," supporting the education of underprivileged girls. As a sought after speaker at platforms like TEDx and India Today, she</p>



	contributes significantly to national discourse, advocating for social awareness and spearheading initiatives to conserve India's rich heritage with INTACH. Her guiding mantra: "Do what you love and love what you do. Currently, she is on the Board of Rakan Health & Lives Private Limited, Aspee Springs Limited, Jakson Limited, and Jakson Engineers Limited.
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Item No. 4

Reason for change viz. appointment	Appointment of M/s. V. Agnihotri & Associates, Company Secretaries, as Secretarial Auditor of the Company for a term of five consecutive years commencing from the financial year 2025-26 till the financial year 2029-30, subject to approval of members at the ensuing Annual General Meeting.
Date of appointment	May 30, 2025
Brief profile (in case of appointment)	Ms. V. Agnihotri & Associates is a reputed firm of Practicing Company Secretaries, Peer Review Firm, established in 2017 by CS Vaibhav Agnihotri, a Fellow Member of the Institute of Company Secretaries of India (ICSI) and former Chairman of the Kanpur Chapter of the Northern India Regional Council (NIRC) of ICSI for the year 2023. Under the leadership of CS Vaibhav Agnihotri, the firm brings extensive domain expertise in corporate lending norms applicable to Banks and Financial Institutions, corporate governance, legal and regulatory compliance, and advisory services. He has substantial experience conducting Secretarial Audits, undertaking Due Diligence assignments, and advising corporate entities on complex statutory and regulatory matters, including but not limited to the



	Companies Act, SEBI Regulations, and other applicable corporate laws.
Disclosure of relationships between directors (in case of appointment)	NA

**By the order of the Board
For RAKAN STEELS LIMITED**

Date-14.08.2025

Place: Kanpur

Sd/

Vrinda Agarwal

Company Secretary and Compliance Officer

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The Proxy Form should be lodged with the Company at the Registered Office atleast 48 hours before the time of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. 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.

3. The Register of Members and Share Transfer Books will remain closed from September 24, 2025 to September 30, 2025 (both days inclusive) for the purpose of AGM.



4. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited.

5. Members who have not registered their e-mail id addresses so far are requested to register their e-mail address in case of physical holding with the Company and in case of demat holding with the Depository Participant.

6. Electronic copy of the notice of the 38TH Annual General Meeting of the Company inter alia indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company / Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the notice of the 38TH Annual General Meeting of the Company inter alia indicating the e-voting procedure along with the attendance slip and proxy for is being sent in the permitted mode. The above noted dispatch of notice is in accordance with, the General Circular No.09/2024 dated September 19, 2024 issued by MCA and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI owing to the difficulties involved in dispatching of physical copy of the Annual Report.

7. All documents referred to in the Notice shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11:00 a.m. to 01:00 p.m. up to the date of the 38th Annual General Meeting of the Company.

8. Members are requested to bring their copy of Annual Report to the Meeting.

9. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.

10. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's



Registrar and Transfer Agent. In respect of shares held in demat /electronic form, the nomination form may be filed with the respective Depository Participant.

11. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution /Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.

12. A physical copy of the Notice of the 38th AGM is to be sent to members [for Members whose email IDs are not registered with the Company /Depository Participants(s)] or to those from whom a request for Physical copy is received.

13. Pursuant to SEBI Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2021/655, dated November 03, 2021, shareholders holding shares in physical form are required to update the KYC in the way as prescribed in the above mentioned circular till 31st December, 2025 otherwise the matter would be referred to the administering authority under the Benami Transactions (Prohibitions) Act, 1988.

14. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97, dated July 02, 2025, the Board announced a remedial opportunity for shareholders who hold shares in physical form and previously encountered transfer difficulties. This initiative specifically addresses shareholders who had submitted transfer applications on or before April 1, 2019, but experienced rejection or cancellation due to documentation inadequacies or procedural shortcomings. SEBI has established March 31, 2020 as the cut-off date and has inaugurated a six-month remedial window from July 7, 2025 to January 6, 2026. This timeframe permits the re-submission of transfer deeds that were originally lodged prior to the April 1, 2019 but were subsequently rejected, returned, or remained unprocessed due to deficiencies in supporting documentation, procedural non-compliance, or other administrative impediments. This regulatory accommodation provides affected shareholders with a definitive opportunity to rectify their transfer applications and complete their intended share transactions.

15. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014,



the Company is pleased to provide its members a facility to exercise their right to vote in the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

Please follow S. No. (i) to S. No. (xiii) as mentioned aforesaid, to cast vote.

The instructions for e-voting are attached:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on 27th September 2025, at 09:00 A.M. and ends on 29th September 2025, at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September 2025, may cast their vote electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September 2025.

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

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

Step1: Access to NSDL e-Voting system

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

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

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



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered For IDeAS e-Services, option to register is available at https://eservices.nsdl.com.</p> <p>Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code</p>



	<p>mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store Google Play </p> <div style="display: flex; justify-content: space-around;"> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>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 users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System My easi Tab and then user your existing my easi username& password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to Register is available at CDSL website www.cdslindia.com and click on login & New System My easi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to</p>



	directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL.</p> <p>Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Help desk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000
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 toll free no. 1800-21-09911

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



How to Log - into NSDL e-Voting website?

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-into NSDL e-services after using your login credentials, click one-Voting and you can proceed to

Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DPID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

I. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

II. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.



Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to fcsvaibhav@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter "displayed under" e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.



3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. : 022 - 4886 7000 or send a request to evoting@nsdl.co.in

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

1. In case shares are held in physical mode please 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 support@rakansteels.co.in
2. In case shares are held in demat mode, please provide DPID-CLID(16 digit DP ID + CL ID 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) to support@rakansteels.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 one-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.



RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

R/O: NH-2(1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311

Corporate Office: Anand Palace, 10/499, Allen Ganj, Kanpur-208002

Email: support@rakansteels.co.in

Tel no.: +91-9598668666

WEB: www.rakansteels.co.in

ATTENDANCE SLIP

38th ANNUAL GENERAL MEETING–SEPTEMBER 30,2025

DP ID/Client ID/ Folio No.

No. of shares held

I, certify that I am a member/proxy for the member of the Company.

I, hereby record my presence at the 38th Annual General Meeting held on Tuesday, September 30, 2025 at 03:00 P.M. at NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311,

Name of the Member

Name of the Proxy



Signature

Note: Please complete this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report for reference at the meeting.



RAKAN STEELS LIMITED

CIN:L27320UP1985PLC007582

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FORM NO. MGT-11

PROXY FORM

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

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No/Client ID	
DP ID	

I/We, being the member(s) of the above named Company holdshares,
hereby appoint:

Name:	Address:
E-mail ID:	Signature:



Or failing him/her

Name:	Address:
E-mail ID:	Signature:

Or failing him/her

Name:	Address:
E-mail ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf in the Annual General Meeting of the Company to be held on Tuesday, September 30, 2025 at 03:00 p.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Resolutions	Optional (Refer Note 3 below)	
Ordinary Business:-			For	Against
1.	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2025.			
2.	Appointment of Mrs. Bindu Agarwal as a director liable to retire by rotation.			
Special Business:-				
3.	Regularization of Ms. Shefali Raj (DIN: 09788801) as an Independent Director of the Company			
4.	Appoint of Secretarial Auditor of the Company for a term of five consecutive years			



Signed this.....day of 2025.

AFFIX
REVENUE
STAMP NOT
LESS THAN
RE. 1

Signature of the Member

Signature of the Proxy Holder(s)

Notes:-

1. This form of proxy in order to be effective should be duly completed and have to be deposited at the Registered Office of the Company, in not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. It is optional to put an 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For ' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all the details including detail of member(s) in above box before submission.

EXPLANATORY STATEMENT



ITEM NO. 3 (Regularization of Mrs. Shefali Raj as an Independent Director)

In accordance with Section 161(1) of the Companies Act, 2013, the Board of Directors approved the appointment of Mrs. Shefali Raj as an Additional Director on November 13, 2024. Under statutory provisions, her tenure as Additional Director shall continue until the date of the ensuing Annual General Meeting (AGM).

Mrs. Shefali Raj, being eligible and having consented to act as an Independent Director of the Company, is proposed for appointment as a Non-Executive Independent Director. She has furnished the requisite declarations confirming compliance with all applicable laws and regulations, adherence to SEBI (Securities and Exchange Board of India) regulations, and non-disqualification under Sections 149(6) and 164 of the Companies Act, 2013.

Mrs. Shefali Raj possesses the requisite expertise, experience, and qualifications to serve as an Independent Director and satisfies all statutory independence criteria as prescribed under the Companies Act, 2013. Her appointment will bring valuable contributions to the Board through extensive professional experience, strong corporate governance understanding, independent judgment, strategic insight for effective decision-making, and commitment to maintaining the highest standards of integrity. Her appointment will enhance the Board's capability to provide objective oversight and ensure protection of stakeholder interests through independent and unbiased guidance.

The Board of Directors recommends the appointment of Mrs. Shefali Raj as a Non-Executive Independent Director for shareholders' approval at the Annual General Meeting. A detailed profile of Mrs. Shefali Raj, including her qualifications, experience, and other statutory disclosures, is annexed to the AGM notice for shareholders' reference.

No Directors, Key Managerial Personnel, or their relatives except Mrs. Shefali Raj, have any interest in this resolution.

**ITEM NO. 4****(Appointment of M/s. V. Agnihotri & Associates as the Secretarial Auditor)**

In compliance with the provisions of Section 204 of the Companies Act, 2013 and the corresponding rules framed thereunder, every listed company is statutorily required to engage the services of a Secretarial Auditor for conducting the secretarial audit of the Company's compliance with applicable laws and regulations.

Acting upon the recommendation of the Audit Committee, the Board of Directors has resolved to appoint M/s. V. Agnihotri & Associates, a practicing Company Secretary firm headed by CS Vaibhav Agnihotri, as the Secretarial Auditor of the Company. The firm has undergone peer review as mandated by the regulatory framework and possesses the necessary qualifications and expertise to undertake the secretarial audit function effectively.

The proposed appointment spans a period of five consecutive financial years, commencing from 2025-26 and concluding with the financial year 2029-30, subject to ratification by the shareholders in the Annual General Meeting. M/s. V. Agnihotri & Associates have confirmed their eligibility for the appointment, established their independence as required under applicable regulations, and have formally consented to accept the engagement as Secretarial Auditor of the Company.

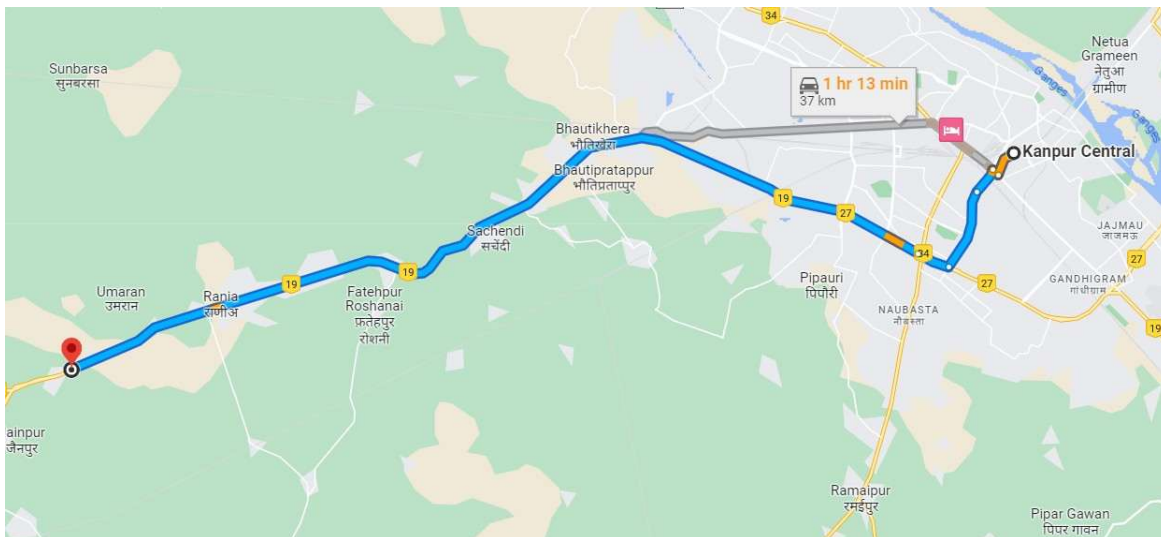
The Board of Directors, having evaluated the firm's credentials, experience, and suitability for the role, hereby recommends the appointment of M/s. V. Agnihotri & Associates as Secretarial Auditor for the aforesaid period for approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel, or their relatives hold any financial or material interest in the aforementioned resolution, ensuring complete independence and objectivity in the appointment process.



ROUTE MAP FOR THE VENUE OF THE
38TH ANNUAL GENERAL MEETING OF RAKAN STEELS LIMITED

ADDRESS: NH-2 (1 KM FROM BARA TOLL PLAZA), UMRAN, RANIA, KANPUR DEHAT-209311



FOR FURTHER INFORMATION

PLEASE VISIT OUR WEBSITE: www.rakansteels.co.in



DIRECTOR'S REPORT

To the members of Rakan Steels Limited,

Your Directors take immense pleasure in presenting the Thirty-Eighth Annual Report and hereby submits the report of the business and operations of your Company along with the Audited Financial Statements for the financial year ended on March 31, 2025.

FINANCIAL RESULTS

A brief summary of the Company's financial performance for the year ended March 31, 2025 is summarized below: -

(IN LAKHS)

<u>PARTICULARS</u>	<u>2024-25</u>	<u>2023-24</u>
Total Income	1248.89	1700.70
Total expenses	1235.92	1691.21
Profit/loss before prior period items & tax (PBT)	12.96	9.50
Add: Exceptional items	0	0
Profit/loss before tax	12.96	9.50
Less: Provision for taxation (including Deferred tax)	1.89	2.61
Profit after tax (PAT)	11.08	6.89
Proposed Dividend	0	0
EPS (Basic)	0.034	0.02
EPS (Diluted)	0.034	0.02

SUMMARY OF OPERATIONS

During the year, the Company earned an income amounting to Rs. 1248.89 (in Lakhs) in comparison to the Income of the last year, which amounted to Rs. 1700.70 (in Lakhs).



Your Company earned a profit during the year that amounted to Rs. 11.08 (in Lakhs) in comparison to last year's profit, which amounted to Rs. 6.89 (in Lakhs). The corporation is deploying next-generation technological assets to rationalize expense portfolios while enhancing profit margins through synergistic digital enablement and process optimization methodologies.

LISTING ON STOCK EXCHANGES

The Company's shares are listed on the *Metropolitan Stock Exchange of India Limited* (MSE).

TRANSFER TO RESERVES:

During the year, the profit earned for the year was transferred to Reserve and Surplus Account.

STATUTORY AUDITORS

M/s Vishal Maheshwari & Company, Chartered Accountants, Kanpur (ICAI Firm Registration No.: 007952C) were appointed as Statutory auditors of the company for a period of 5 years i.e., from 01.04.2022 to 31.03.2027 on the terms and conditions as may be mutually agreed by the board and the auditors in the said Annual General Meeting.

M/s Vishal Maheshwari & Company conducted the statutory audit of the Company for the financial year 2024-2025 and has prepared the Standalone Financial Statements of the Company in accordance with the Indian Accounting Standards (IND AS) notified under the Companies Act, 2013.

STATUTORY AUDITOR'S REPORT

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.



SECRETARIAL AUDIT REPORT

The Board at its meeting held on 22.06.2024 had complied with the requirement of appointment of the Secretarial Auditor under Section 204(1) of the Companies Act, 2013 and had appointed Mr. Vaibhav Agnihotri (Prop. M/s V. Agnihotri & Associates), Practicing Company Secretary, to conduct the Secretarial Audit for the Financial Year 2024-2025.

The Company has obtained a Secretarial Audit Report from the Secretarial Auditor in the prescribed format. The format is attached as “*Annexure-A*” to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

SEBI vide its circular No. SEBI/LAD-NRO/GN/2024/218 dated 12.12.2024 has incorporated major changes in Regulation 24A of the SEBI (LODR) Reg., 2015 subsequent to which it mandates appointment of a peer-reviewed Company Secretary or a firm, as the secretarial auditor of the Company for a term of 5 consecutive years with approval of the members.

A draft resolution is placed before the members and forms part of the notice of 38th Annual General Meeting of the Company seeking members' approval for the appointment of the secretarial auditor for a term of 5 years.

**Note: Though the provisions of Regulation 24A of the SEBI (LODR) Reg., 2015 are not applicable over the Company but in good corporate governance, the company hereby proposes to comply with few provisions of Reg. 24A, including the appointment of the secretarial auditor for a term of 5 years.*

INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014 the Company had appointed Ms. Vrinda Agarwal, Company Secretary of the Company, as an Internal Auditor of the Company for the FY 2024-25 and accordingly, they conducted the Internal Audit.

DIVIDEND

With a view to optimizing cash flow management and ensuring sufficient working capital for future value-accretive investments and expansion activities, the Board has determined to reinvest retained earnings rather than distribute shareholder returns in the present financial year. Therefore, it was decided by your directors not to declare any dividend this year.



DEPOSITS

Your Company has not accepted any deposit prescribed u/s 73 of the Companies Act, 2013 during the Financial Year.

CHANGE IN MANAGEMENT & KEY MANAGERIAL PERSONNEL

- Ms. Madhu Bansal resigned from the post of Company Secretary in a board meeting held on 31.05.2024. She had further stated that there are no other material reasons other than those provided in the resignation letter.
- Ms. Vrinda Agarwal was appointed as Company Secretary of the company in a board meeting held on 22.06.2024.
- Mr. Mahendra Bahadur Singh bearing DIN: 03550534, Independent Director of the Company, had completed his second tenure of being of appointment as an Independent Director of the Company and got retired on September 30, 2024 from holding the said position.
- Mrs. Shefali Raj bearing DIN: 09788801, was appointed as an Additional Director under the category of Independent Director in a duly convened board meeting held on 13.11.2024. *She, being eligible, has offered for her regularization as a Non-Executive Independent Director before the members of the Company and the board has placed a draft resolution for her appointment which forms part of Notice of 38th Annual General Meeting.*

The aforementioned appointment(s)/resignation/retirement comply with the provisions of The Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company has an optimum constitution.

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred from the end of the financial year i.e. March 31, 2025, till the date of the Director's Report.



BUSINESS RISK MANAGEMENT

Global economic volatility continues to challenge businesses across all sectors. Market disruptions, commodity price fluctuations, currency volatility, and liquidity pressures have exposed vulnerabilities in organizational preparedness, reinforcing the necessity for robust risk management systems.

The Company operates in a dynamic Enterprise Risk Management (ERM) framework that systematically identifies, evaluates, and mitigates business risks while capturing emerging opportunities. Our structured approach includes comprehensive guidelines for ERM implementation and regular assessment of key risk exposures with corresponding mitigation strategies.

Risk management principles are deeply embedded across our business operations, critical functions, and strategic processes. This integration ensures that risk considerations influence decision-making at all organizational levels. The Company maintains its overall risk profile within acceptable tolerance limits while addressing identified risks through continuous monitoring and targeted interventions.

Our risk management philosophy acknowledges the inherently unpredictable nature of business environments. This recognition drives our commitment to maintaining organizational vigilance across management and employee levels, fostering a culture of risk awareness and proactive response.

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Statement of particulars of employees pursuant to the provisions of section 197(12) of The Companies Act, 2013 read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirement of Rule 5(1)	Disclosure
1	The ratio of remuneration of each director to the median remuneration of the employees for the financial	Mr. Kannan Agarwal – 9.25 : 1 Mrs. Kashish Agarwal – 9.25 : 1



	year.	Mrs. Bindu Agarwal – 6.36: 1 Of the median remuneration of employees (including KMPs) for the financial year.
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year.	Percentage increase in remuneration of: a) Directors:-N/A b) MD:- N/A c) CFO:- N/A d) CEO:- N/A e) Company Secretary:-N/A
3	The percentage increase /decrease in the median remuneration of employees in the financial year.	No Change
4	The number of permanent employees on the rolls of the Company.	There were 38 employees on the rolls of the Company for majority of the year ended on March 31, 2025.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel.	The Managerial remuneration is ascertainable by referring Point 2 above.
	in the last financial year i.e. 2023-2024 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been a slight increase in remuneration of other employees and there have been no exceptional circumstances for the increase in remuneration.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	We affirm that the remuneration paid to employees and KMPs was based on the Remuneration Policy.



A) Details of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: -

- Drawing salary of 102 Lakhs or above for the Year, if employed throughout the year- NIL
- Drawing salary of 8.5 Lakhs p/m or above for a month, if employed for part of the year- NIL
- Drawing salary more than the salary of MD and having 2% stake in the Company- NIL

B) No Managing Director or Whole-Time Director of the Company is receiving any commission from the Company as well as from the Holding Company or Subsidiary Company of the Company.

INTERNAL FINANCIAL CONTROLS

In compliance with Section 134(5) (e) of the Companies Act, 2013, the Board of Directors maintains comprehensive oversight responsibility for establishing and maintaining robust Internal Financial Controls systems. These controls are designed to adapt to evolving business dynamics and operational requirements while incorporating contemporary best practices and technological advancements.

The Company has in place adequate internal financial controls with reference to financial statements. The Company has devised an appropriate systems and framework including proper delegation of authority, risk based internal audits, risk management framework and whistle blower mechanism.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in section 134(5) of The Companies Act 2013, the Directors of the Company would like to state: -

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under the review.

- iii) 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

INDUSTRIAL RELATIONS

Industrial relations constitute a critical cornerstone of organizational success, requiring careful nurturing and strategic management. The Company places significant emphasis on fostering robust industrial relations, positioning them alongside other key stakeholder partnerships as fundamental to our operational excellence. Throughout the reporting period, employee-management relationships remained harmonious and constructive.

Our Company gives equal importance to maintaining industrial relations and keeping them at par with other stakeholder relationships. During the period under review, the relationship between employees and management remained cordial. Recognising the pivotal role of our workforce as the driving force behind our diverse business ventures, the Company endeavoured to cultivate an environment conducive to their growth, development, and overall well-being.

The Management demonstrates unwavering commitment to employee welfare and maintains a supportive approach towards all team members. Continuous efforts are undertaken to establish and sustain transparent, productive, and collaborative relationships across all organizational levels, particularly with operational and supervisory staff. This inclusive approach ensures that every employee feels valued and contributes meaningfully to the Company's collective success.



BOARD OF DIRECTORS


The Board of Directors ('Board') forms the foundation of our corporate governance framework and provides strategic oversight to ensure that Management effectively serves and safeguards the long-term interests of all stakeholders. The Company's Board is appropriately constituted with members who possess the requisite qualifications, extensive experience, and proven competencies.

All directors are suitably qualified, experienced and competent. The Company is managed by well-qualified professionals. The members of the Board of Directors are persons with considerable experience and expertise in Production and Quality Auditing, Project Finance and Working Capital Management, Manufacturing Operations and Supply Chain Administration, and Steel Market Development and Customer Relations. Independent Directors have submitted their mandatory declarations as required under Section 134 read with Section 149 of the Companies Act, 2013, confirming their independence and compliance with statutory requirements. The Board's collective wisdom and professional acumen continue to drive the Company's growth trajectory and stakeholder value creation.

BOARD MEETINGS

During the year, the board members have met five (5) times at regular intervals and board meetings were duly convened. Further, it is hereby stated that the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The details thereof are given as under.

Sl. No.	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1.	May 30, 2024	5	5
2.	June 22, 2024	5	5
3.	August 14, 2024	5	5
4.	November 13, 2024	4	4
5.	February 13, 2025	5	5



NAME OF DIRECTORS	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE OF LAST AGM FY 2023-24 (YES/ NO)
KANNAN AGARWAL	5	YES
BINDU AGARWAL	5	YES
RISHABH AGARWAL	5	YES
MAHENDRABAHADUR SINGH	3	YES
MANISH CHANDRA	5	YES
SHEFALI RAJ	1	NOT APPLICABLE

AUDIT COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified under Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its powers) Rules, 2014.

ii. Composition, Name of Members and Chairperson: -

Name	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Mahendra Bahadur Singh	Chairman	5	3
Mrs. Shefali Raj	Chairman	5	1
Mr. Manish Chandra	Member	5	5
Ms. Bindu Agarwal	Member	5	5



During the year under review, there was a change in the composition of members of the Committee.

Mr. Mahendra Bahadur Singh retired as Independent Director of the Company due to the expiry of the second term of his appointment on 30.09.2024; subsequently the position of Chairman of the Audit Committee was vacant.

To ensure compliance with the applicable provisions, Mrs. Shefali Raj was appointed as an Additional Director under the category Non-Executive Independent Director on 13.11.2024 and she accordingly occupied the position of Chairman of the Audit Committee.

iii. Details of Audit Committee Meetings held during the year under review: -

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
May 30, 2024	3	3
June 22, 2024	3	3
August 14, 2024	3	3
November 13, 2024	2	2
February 13, 2025	3	3

All the recommendations made by the Audit Committee were accepted by the Board. Five meetings of the Audit Committee were held during the year.

Note: The Company Secretary of the Company acts as the Secretary to the Committee.



NOMINATION & REMUNERATION COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified in Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its powers) Rules, 2014.



ii. Composition, Name of Members and Chairperson: -

Name	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Manish Chandra	Chairman	2	2
Mr. Mahendra Bahadur Singh	Member	2	1
Mrs. Shefali Raj	Member	2	0
Mr. Rishabh Agarwal	Member	2	2

The committee's membership underwent significant changes during the reporting period.

Mr. Mahendra Bahadur Singh concluded his second term as Independent Director on September 30, 2024, which resulted in the vacation of one position in the Nomination and Remuneration Committee as a member.

To maintain regulatory compliance, the Company appointed Mrs. Shefali Raj as an Additional Director in the Non-Executive Independent Director category on November 13, 2024. Upon her appointment, Mrs. Raj assumed the role of a member of the Nomination and Remuneration Committee, ensuring continuity in adherence to governance requirements.

Details of Nomination and Remuneration Committee Meetings held during the year under review: -

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
June 22, 2024	3	3
November 13, 2024	2	2

iii. Remuneration Policy:-

The Company's remuneration framework is designed to establish and periodically assess compensation structures for the Managing Director, Non-executive Directors, and Key Managerial Personnel. This methodology incorporates comprehensive evaluation parameters, including industry benchmarking standards, the Company's annual financial performance



and strategic objectives, individual expertise levels, talent retention considerations, and merit-based assessments.

The Board expresses complete satisfaction with the current evaluation methodology and its implementation across all leadership levels.

iv. Selection and Evaluation of Directors:-

The Board, based on recommendations from the Nomination & Remuneration Committee, has established the following frameworks: -

1. Guidelines for determining qualifications, positive attributes and Independence of a Director.
2. Framework for Board & Independent Directors Evaluation.

Familiarization / Orientation program for Independent Directors

Independent Directors participate in a comprehensive Familiarization/Orientation Program upon their appointment to the Board. Additionally, various ongoing training sessions are organized for Independent Directors to deliver regular updates on regulatory changes, industry trends, and other material matters of significance.




STAKEHOLDERS RELATIONSHIP COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified under Section 178 (5) & (6) of the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson: -

Name	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Mahendra Bahadur Singh	Chairman	1	1



Mrs. Shefali Raj	Chairman	1	0
Mr. Manish Chandra	Member	1	1
Ms. Bindu Agarwal	Member	1	1

The Committee's membership underwent significant changes during the reporting period. Following the completion of his second term, Mr. Mahendra Bahadur Singh concluded his tenure as Independent Director on September 30, 2024, subsequently, the Chairman position of the Stakeholders Relationship Committee becoming vacant.

To maintain regulatory compliance, the Company appointed Mrs. Shefali Raj as Additional Director in the Non-Executive Independent Director category on November 13, 2024. Upon her appointment, Mrs. Raj assumed the role of Stakeholders Relationship Committee Chairman, ensuring continuity in the Committee's leadership and adherence to governance requirements.

iii. Details of Share Transfer & Investors Grievance Committee Meetings held during the year under review: -

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
November 13, 2024	2	2

The Committee overlooks the usual requests received for Dematerialization, transfer/transmission of shares and answers the complaints of members.

Note-1: The Company Secretary of the Company acts as the Secretary to the Committee.

Note-2: No complaint was pending against the Company during the year.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2024-25 on November 13, 2024 without the presence of the Executive directors. The meeting was conducted to enable the Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views about the working of the Company and performance evaluation of the Board along with the Committees.



SHAREHOLDER'S MEETINGS

(a) Details of last three AGMs held:

Year	Date	Venue	Time
2023-24	30.09.2024	NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311	03:00 P.M.
2022-23	30.09.2023	NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311	03:00 P.M.
2021-22	30.09.2022	NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311	03:00 P.M.

(b) Special Business:

During the AGM of the preceding three (3) Financial Years, there was no special resolution passed.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149 (7) of the Companies Act, 2013 the Company has received a necessary declaration from each Independent Director that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

CORPORATE GOVERNANCE

Corporate governance represents the comprehensive framework of principles, practices, and mechanisms through which a Company is guided and supervised. It fundamentally centres on



harmonizing the diverse interests of multiple stakeholders, including shareholders, executive leadership, customers, suppliers, financial institutions, regulatory authorities, and the broader community. This framework spans virtually all aspects of organizational management, encompassing strategic planning and internal control systems to performance evaluation and transparency in corporate reporting.

The Company strives to adhere to good corporate governance practices in full spirit and measure. Nonetheless pursuant to Regulation 15 (1) and (2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21, 22, 23, 24, [24A,] 25, 26, 27 are not applicable on the company as the company is exempted under Regulation 15 (2) (a) which states as follows:

*(2) The compliance with the corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21, 22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) [and (t)] of sub - regulation (2) of regulation 46 and para C, D and E of Schedule V **SHALL NOT APPLY**, in respect of –*

[a] listed entity having paid up equity share capital not exceeding rupees ten crore AND net worth not exceeding rupees twenty-five crore, as on the last day of the previous financial year.

Since the Company's paid-up share capital remains below Rs. 10 crore and the net worth does not exceed Rs. 25 crore, the Company is exempted from furnishing the Corporate Governance Report along with the Practicing Company Secretary's Certificate confirming compliance thereof, as well as the Managing Director's declaration concerning adherence to the Code of Conduct by Board Members and Senior Management Personnel.

DISCLOSURE REGARDING THE RE-APPOINTMENT OF DIRECTOR

In terms of relevant provisions of the Act, as amended, Mrs. Bindu Agarwal (DIN: 01578595) is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment.

The detailed profile of Mrs. Bindu Agarwal and particulars of her experience, skills or attributes that qualify for Board Membership are provided in the Notice convening the AGM.

The Board recommends the above re-appointment for approval of the Shareholders at the ensuing AGM.



ETHICS/GOVERNANCE POLICIES

The Company is committed to building strong stakeholder relationships through dignified, distinctive, and responsible business practices. We maintain ethical standards that ensure integrity, transparency, independence, and accountability in all stakeholder interactions. To support ethical conduct, we have implemented comprehensive codes and policies, some of these codes and policies are: -

- Code of Conduct
- Policy for preservation of documents
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Persons
- Vigil Mechanism and Whistle-blower policy
- Policy for selection of Directors and determining Director's independence
- Remuneration policy for Directors, Key Managerial Personnel and other employees
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Determination and Disclosure of Materiality of Events and Information and the Web Archival Policy.

BOARD EVALUATION

The Company has established a comprehensive Policy for evaluating the performance of the Board, its Committees, and individual Directors (including Independent Directors). This policy sets clear criteria for assessing both Non-Executive and Executive Directors annually, responding to the increasing demand for enhanced board accountability and effectiveness.

The evaluation process primarily considers Directors' attendance at Board and Committee meetings. Beyond ensuring accountability, the assessment of board members contributes to:

- a) More effective board process
- b) Better collaboration and communication
- c) Greater clarity with regard to members roles and responsibilities
- d) Improved Managing Director and board relations



In compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Management conducted the annual performance review of the Audit, Nomination & Remuneration, and Investor Grievance Committees.

A comprehensive questionnaire was developed incorporating feedback from Directors, addressing key areas including Board and Committee composition adequacy, organizational culture, performance execution, director self-assessment, and governance obligations.

An analysis was carried out to evaluate the performance of individual Directors including the Chairman of the Board, Committees, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Independent Directors evaluated the Chairman and Non-Independent Directors' performance while also assessing the Secretarial Department's effectiveness. The Board conducted comprehensive annual evaluations covering the Board itself, all Committees, Individual Directors, and the Managing Director.

The report on performance evaluation was reviewed by the Chairman of the Board and the feedback was given to the concerned directors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Guarantees or Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 during the period under review.

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

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign earnings and outgo is given below:

(a) **Conservation of energy:** The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy



(b) **TECHNOLOGY ABSORPTION:** The Company actively endeavours to use the cutting-edge technology and efficient processes to minimize wastage of resources and manpower.

The company's undertaking by the name of Rakan ITI is continuously providing knowledge to people at large about the new technology and processes through its well-equipped labs and highly qualified staff.

(c) **Foreign exchange earnings and Outgo:** Nil

BUSINESS RISK MANAGEMENT

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company has formed an internal committee in order to evaluate the risk factor in the concern. The Board carries out a brief synopsis of the key elements that threaten the existence of the Company using the Enterprise Risk Management (ERM) framework to create long-term value. The internal policy related to risk management ensures growth and continuity of business. However, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 exempts your Company to mandatorily form the Risk Management Committee.

A brief report on risk evaluation and management is provided under Management Discussion & Analysis Report forming an integral part of this Annual Report.

CODE OF CONDUCT

The Company has a strong legacy of fair, transparent and ethical governance practices. The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all the employees in the course of day-to-day business operations of the Company.

The code laid down by the Board is known as the "Code of Conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website "www.rakansteels.co.in". The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Code gives guidance on the expected behaviour from an employee in a given situation and the reporting structure. The whole



Management Staff was given appropriate training in this regard. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

WHISTLE BLOWER POLICY

In order to comply with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

A vigil mechanism policy was framed by the Company through its Board of Directors to be headed by the Chairman of the Audit Committee who shall also be known as the Vigilance Officer under the Whistle Blower Policy.

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy/ Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

The Code has been posted on the Company's website "www.rakansteels.co.in".

PREVENTION OF INSIDER TRADING

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



DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016

During the year, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNTS OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS, ALONG WITH THE REASON THEREOF

During the year, there has been no one-time settlement of Loans taken from Banks and/or Financial Institution.

RELATED PARTY TRANSACTIONS

During the year under purview, there were related parties transactions under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure-1 in Form AOC-2 and the same forms part of this report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company.

DISCLOSURE UNDER SEXUAL HARASSMENT POLICY FOR WOMEN

The Company has already framed the Sexual Harassment Policy regarding women and female employees of the Company. During the year under review, there were no complaints from any employee regarding the said issue.

INFORMATION ON STATUS OF AFFAIRS OF THE COMPANY

Information on the operational, financial performance, etc. of the Company is given in the Management Discussion and Analysis Report, which is annexed hereto.



COST RECORDS AND COST AUDIT

Our Company does not fall within the provisions of Section 148(1) of the Companies Act, 2013 and limits prescribed in the rules made thereunder; therefore, the maintenance of cost records and the requirement of cost audit are not applicable to the Company.

SHARE REGISTRAR & TRANSFER AGENT

The Company's Registrar & Transfer Agent is Skyline Financial Services Private Limited, New Delhi. It is a SEBI Registered R & TA. The contact details of the same are mentioned at the beginning of the Report. The investors are kindly requested to address their queries, if any, to the R & TA. However, in case of any difficulties, they are always welcome to contact the Company's Company Secretary & Compliance Officer, the contact particulars of whom are contained in the Report and are also hosted on the website of the Company i.e. www.rakansteels.co.in.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions of Section 135 of the Companies Act, 2013 are NOT APPLICABLE on your Company.

REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officer or employees, the details of which would need to be mentioned in the Board's Report.

WEBLINK OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 link of Annual Returns are available for the shareholders at www.rakansteels.co.in.



SECRETARIAL STANDARDS

The Company is in compliance with all the applicable and notified Secretarial Standards issued by the Institute of Company Secretaries of India.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following matters as there were no such transactions on these items during the year under review: -

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the company under any scheme or even as Employee's Stock Option Plan.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- 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.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- During the year under review, there were no cases filed or reported pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RECORDING MINUTES OF PROCEEDINGS OF BOARD & COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes were circulated to Board/Committee members for their comments as prescribed under the guidelines of Secretarial Standard-1 issued by the ICSI. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.



STATUTORY COMPLIANCE

The Company has in place adequate systems and processes to ensure that it is in compliance with all applicable laws. The Company Secretary (Corporate & Compliance) is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and for ensuring that the systems and processes are operating effectively. The Chief Financial Officer and Managing Director, places before the Board, at each meeting, a certificate of compliance with the applicable laws. The Company Secretary (Corporate & Compliance) also confirms compliance with Company law, SEBI Regulations and other corporate laws applicable to the Company.

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation and gratitude for the committed services by the Company's executives, staff and workers. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

	Sd/-	Sd/-
	BINDU AGARWAL	KANNAN AGARWAL
PLACE: KANPUR	DIRECTOR	MANAGING DIRECTOR
DATE: 14.08.2025	(DIN: 01578595)	(DIN: 07318672)



ANNEXURE-1

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 arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable (NA)**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

PARTICULARS	RPT-1	RPT-2
Name(s) of the related party and nature of relationship	Rajvardhan Agencies Pvt. Ltd.	Shribarsana Wire And Wire Mesh Private Limited
Nature of contracts/ arrangements/ transactions	SALE/PURCHASE	SALE/PURCHASE



Duration of the contracts / arrangements/transactions	Not provided	Not provided
Salient terms of the contracts or arrangements or transactions including the value, if any	As decided by and between the parties on arm's length basis	As decided by and between the parties on arm's length basis
Date(s) of approval by the Board:-	30 May, 2024	30 May, 2024
Amount paid as advances, if any:-	N/A	N/A

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

Sd/-

BINDU AGARWAL

DIRECTOR

(DIN: 01578595)

Sd/-

KANNAN AGARWAL

MANAGING DIRECTOR

(DIN: 07318672)

PLACE: KANPUR

DATE: 14.08.2025



DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

(Pursuant to Regulation 26(3) of the SEBI (LODR) Regulations, 2015)

I, Kannan Agarwal (DIN: 07318672), Managing Director of the Company Rakan Steels Limited, hereby declare that all the directors and senior management Personnel of the Company have confirmed compliance with the code of conduct as adopted by the company.

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

Sd/-

**KANNAN AGARWAL
(MANAGING DIRECTOR)**

DATE:14.08.2025

PLACE: KANPUR



CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company has certified to the Board that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

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

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Conduct.

(c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee that:

(i) there has not been any significant change in internal control over financial reporting during the year;

(ii) there have not been any significant changes in the accounting policies during the year requiring disclosure in the notes to the financial statements;



(iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For RAKAN STEELS LIMITED

Sd/-

Kannan Agarwal
Managing Director
DIN: 07318672

Sd/-

Kashish Agarwal
Chief Financial Officer

Date: 30.05.2025

Place: Kanpur



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to clause 10 of Part C of Schedule V of LODR)

To

The Members

RAKAN STEELS LIMITED

NH-2, (1 KM FROM BARA TOLL PLAZA) UMRAN,

RANIA, KANPUR – 209311

This Certificate is issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs ('MCA'), or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment
1.	KANNAN AGARWAL	07318672	04.01.2016
2.	BINDU AGARWAL	01578595	12.10.2022
3.	RISHABH AGARWAL	02609055	12.10.2022



4.	SHEFALI RAJ	09788801	13.11.2024
5.	MANISH CHANDRA	08985816	12.10.2022

*The date of appointment is as per the MCA portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 30.05.2025

Place: Kanpur

For V. Agnihotri & Associates

Sd/-

(Prop: Vaibhav Agnihotri)

FCS No.: 10363

C P No.: 21596

UDIN: F010363G000488500

Peer Review No.: 2065/2022



ANNEXURE -A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2025

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members,

Rakan Steels Limited

(CIN: L27320UP1985PLC007582)

ADD.: NH-2 (1 km from Bara Toll Plaza)Umran, Rania,

Kanpur Dehat-209311

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Rakan Steels Limited (L27320UP1985PLC007582)** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Rakan Steels Limited** (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 our opinion, the company has, during the audit period covering the financial year ended on March 31, 2025 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, minutes' books, forms and returns filed and



other records maintained by “the Company” for the financial year ended March 31, 2024, to the extent applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable during the year)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; **(Not applicable during the year)**;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the year)**;



- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable during the year);**
- (f) The Securities and Exchange Board of India (Issue and Listing of non-Convertible Securities) Regulations, 2021; **(Not applicable during the year);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable during the year);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable during the year);**
- (vi) Other major laws applicable specifically to the Company namely:
 - a) Factories Act, 1948 and allied State Laws.
 - b) Employee State Insurance Act, 1948
 - c) Environmental Laws.
 - etc.
- (vii.) Other Acts- As per the information provided by the company its officers and authorize representative there is no such other acts applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (As amended from time to time).
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with MSEI Limited.



To the best of our understanding, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that based on the information provided by the company, its officers and its authorized representatives during the conduct of the audit also on the report by respective department heads /Company Secretary/CFO taken on record by the Board of Directors of the Company, in my opinion adequate system and processes and control mechanism exist in the company to monitor and to ensure the compliance with applicable general laws such as labour laws and environmental laws to the extent applicable to it.

We further report, that the compliance by the company of the 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 auditor 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 and Independent Directors. None of the directors were disqualified during the year. During the year ended 31st March 2025, Mr. Rishabh Agarwal, being the director liable to retire by rotation was re-appointed in the Annual General Meeting held on 30.09.2024 and Mr. Mahendra Bahadur Singh retired from the position of Independent Director of the Company subsequent to his completion of the second term. Mrs. Shefali Raj was appointed as an Additional Director of the Company under the category Non-Executive Independent Director on 13.11.2024, with a view to maintaining an optimum combination of executive and non-executive directors.

The board met FIVE (5) times during the year on 30.05.2024; 22.06.2024; 14.08.2024; 13.11.2024; 13.02.2025. Further the Annual General Meeting of the Company took place on 30.09.2024. The share transfer books of the company remain closed from September 23, 2024 to September 30, 2024 for the purpose of Annual General Meeting of the Company.



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.

In addition to this, 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. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that the all the meetings of the Committees took place as per the Compliance of Secretarial standards-1 as issued by the Institute of Company Secretaries of India.

We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under applicable laws/Acts/Regulations to the Company.

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

Date: 14.08.2025

Place: Kanpur

For V. Agnihotri & Associates

(Prop: Vaibhav Agnihotri)

FCS No.: 10363

C P No.: 21596

UDIN: F010363G001020295

Peer Review No.: 2065/2022



“ANNEXURE – A” TO THE SECRETARIAL AUDIT REPORT

To,

The Members,

Rakan Steels Limited

(CIN: L27320UP1985PLC007582)

ADD.: NH-2 (1 km from Bara Toll Plaza) Umran, Rania,
Kanpur Dehat-209311

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we have followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.



6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 14.08.2025

For V. Agnihotri & Associates.

Place: Kanpur

(Prop: Vaibhav Agnihotri)

FCS No.: 10363

C P No.: 21596

UDIN: F010363G001020295

Peer Review No: 2065/2022



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
M/s RAKAN STEELS LIMITED,
Kanpur.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s RAKAN STEELS LIMITED**, ("the Company") as at **31st March 2025** which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management of **M/s RAKAN STEELS LIMITED** is responsible for the preparation of the accompanying financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the organization in accordance with the applicable accounting standards and the provisions of the Companies Act, 2013 ("the Act") and relevant rules issued thereunder. This responsibility includes:

1. Design, Implementation, and Maintenance of Internal Controls:

- Management is responsible for designing, implementing, and maintaining adequate internal financial controls to ensure the orderly and efficient conduct of the organization's business, including adherence to the organization's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

2. Compliance with Rule 11(g) – Audit Trail and MSME Disclosures:

○ Audit Trail:

Management is responsible for ensuring the maintenance of a comprehensive audit trail of all financial transactions, as required under Rule 11(g) of the Income Tax Rules, 1962. This includes the accurate recording of transactions in a manner that ensures traceability to their source, proper authorization of any modifications or deletions, and the secure storage of the audit trail to prevent unauthorized access or tampering.



Management is also responsible for the periodic review of the audit trail system to ensure its effectiveness and compliance with statutory requirements.

○ **MSME Disclosures:**

Management is responsible for ensuring accurate identification and disclosure of all payments to Micro, Small, and Medium Enterprises (MSMEs) in accordance with the Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006, and as required under Rule 11(g). This includes:

The determination of the status of vendors as MSMEs and the accurate recording and reporting of amounts due to them, including interest payments, in the financial statements.

The disclosure of any delays in payments to MSMEs and the reasons for such delays, as required by law.

3. Preparation of Financial Statements:

○ Management is responsible for the preparation of the financial statements in accordance with the accounting principles generally accepted in India (Indian GAAP), including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

○ Management is also responsible for making judgments and estimates that are reasonable and prudent so as to ensure that the financial statements reflect a true and fair view of the state of affairs of the organization at the end of the financial year and the profit or loss, cash flows, and changes in equity for the year ended on that date.

4. Compliance with Laws and Regulations:

○ Management is responsible for ensuring compliance with the provisions of the Companies Act, 2013, the Income Tax Act, 1961, and other applicable laws and regulations, including Rule 11(g) and its associated disclosure requirements.

○ This includes the responsibility to provide the necessary information and documentation to the auditors and to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

5. Going Concern Assessment:

○ Management is responsible for assessing the organization'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 organization or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters, which are required to be included in the audit report.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditors' 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, 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, we report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) 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.
- c) 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.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.



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

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv) On the basis of the written representations received from the directors as on 31st march 2025;

(i) The management has represented that, to the best of it's 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 it's 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"), n 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 provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v) No dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

vi) Based on our examination, which included test checks, the company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.



For VISHAL MAHESHWARI & COMPANY

Chartered Accountants

FRN: 007952C

Sd/

VISHAL MAHESHWARI

Partner

M. No.: 076685

Place: Kanpur

Dated: 30-05-2025

UDIN:25076685BMLBNC1919



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2025, we report that:

- i. In respect of its fixed assets :
 - a) The companies namely Rakan Steels Limited have maintained proper records to show full particulars including quantitative details and situation of its property, plant & equipment.
 - b) The property, plant & equipment were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the property, plant & equipment at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in the favour of lessee) are held in the name of the Company.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company it has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e) There are no such proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a) The inventories have been physically verified during the year by the management. In our opinion frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification as compared to the book records.
 - b) According to the information and explanations given to us, the companies have not been sanctioned any working capital limits during any point of time of the year in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii. As per the records produced before us and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured and unsecured to companies, firms,



Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore, the relevant provisions of the Companies (Auditor's Report) order, 2020, are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and investments made.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any amount which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, therefore, the relevant provisions of the Companies (Auditor's Report) order, 2020, are not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of business activities of the Company.
- vii. In respect of statutory dues :
 - a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty excise duty and other statutory dues mentioned above were in arrears, as at 31.03.2025 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute except the following:



Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the Amount Relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	60.80	A.Y. 2019-20	Income Tax (Appeals), NFAC	

- viii. According to the information and explanation given to us, none of the transactions are left unrecorded in the books of account, or have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues or in the payment of interest thereon to any lender or to financial institutions or banks. The Company does not have any loans or borrowings from Government or debenture holders during the year.
- x. a) The Company did not raise any money by way of Initial Public offer or further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xi. a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- b) No such 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) None whistle-blower complaints were received during the year by the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required.
- xiv.
 - a) Yes, the company has an internal audit system commensurate with the size and nature of its business
 - b) Yes, reports of the Internal Auditors for the period under audit were considered by the statutory auditor;
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- xvii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has incurred no cash losses in the financial year and in the immediately preceding financial year.
- xviii. There had been no resignation of the statutory auditors during the year.
- xix. 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 and 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.

- xx.
- a) According to our examination of the records of the Company, the CSR provisions are not applicable on the Company during the current financial year. Hence, it is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- b) Since the CSR provisions do not apply to the company, no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project was required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For VISHAL MAHESHWARI & COMPANY

Chartered Accountants

FRN: 007952C

Sd/

VISHAL MAHESHWARI

Partner

M. No.: 076685

Place: Kanpur

Dated: 30-05-2025

UDIN: 25076685BMLBNC1919

Annexure-B to the Auditor's Report



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

We have audited the internal financial controls over financial reporting of **M/s Rakan Steels Limited** ("the Company") as of 31st March, 2025 in the conjunction with our audit of financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control system over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, 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 VISHAL MAHESHWARI & COMPANY

Chartered Accountants

FRN: 007952C

Sd/

VISHAL MAHESHWARI

Partner

M. No.: 076685

Place: Kanpur

Dated: 30.05.2025

UDIN: 25076685BMLBNC1919



RAKAN STEELS LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2025

	Note No.	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	5,10,82,254	4,29,74,905
Capital Work-in-Progress		-	-
Financial Assets			
Investments	2.2	-	-
Loan	2.3	-	-
Other Financial Assets	2.4	-	-
Deferred Tax Assets (Net)		83,073	79,543
Other Non-Current Assets	2.5	8,73,667	8,73,667
Current Assets			
Inventories	2.6	5,38,86,471	6,16,05,664
Financial Assets			
Investments	2.7	-	-
Trade Receivables	2.8	1,50,69,027	2,94,03,475
Cash and Cash Equivalents	2.9	23,65,292	17,15,391
Bank Balances other than Cash and Cash equivalents	2.10	-	-
Loans	2.11	-	-
Other Financial Assets	2.12	-	-
Current Tax Assets (Net)	2.13	-	8,87,946
Other Current Assets	2.14	58,52,900	35,35,657
TOTAL ASSETS		12,92,12,684	14,10,76,248

Kashish Grover Vrinda Agarwal
(Chief Financial Officer) (Company Secretary)



RAKAN STEELS LIMITED
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH 2025

	Note No.	Year Ended 31st March, 2025	Year Ended 31st March, 2024
		Current Year	Previous Year
INCOME			
Revenue from Operations	3.1	12,43,60,051	16,93,75,416
Other Income	3.2	5,28,518	6,94,992
Total Income (I)		12,48,88,569	17,00,70,408
EXPENSES			
Cost of Materials Consumed	3.3	8,37,31,517	11,43,20,721
Purchase of Stock-in-Trade	3.4	13,80,389	2,35,16,323
Changes in Inventories of Finished Goods, Work-in-Pro	3.5	1,07,05,317	44,97,665
Employees Benefits Expenses	3.6	74,52,982	43,52,456
Finance Costs	3.7	56,32,774	58,31,567
Depreciation and Amortisation Expenses	2.1	11,34,039	7,75,082
Other Expenses	3.8	1,35,55,067	1,58,26,907
Total Expenses (II)		12,35,92,085	16,91,20,721
Profit Before Exceptional Item and Tax		12,96,484	9,49,687
Exceptional Item		-	-
Profit Before Tax		12,96,484	9,49,687
Tax Expenses			
Current Tax		3,30,000	2,00,000
Tax Relating To Prior Period		-1,37,745	5,175
Deferred Tax		-3,530	55,649
Total Tax Expense		1,88,725	2,60,824
Profit for the Year (III)		11,07,759	6,88,863
OTHER COMPREHENSIVE INCOME	3.9		
Items that will not be considered to profit or loss		-	-
Items that will be considered to profit or loss			
Exchange differences on translating foreign operations		-	-
Less: Tax Effect on above		-	-
Other Comprehensive Income for the Year (IV)		-	-
Total Comprehensive Income for the Year (III+IV)		11,07,759	6,88,863
Earnings per Equity Share (Face Value Rs. 1 each)			
Basic (Rs.)		0.03	0.02
Diluted (Rs.)		0.03	0.02

For Vishal Maheshwari & Company
Chartered Accountants
Sd/

(Vishal Maheshwari)
Partner
M.No: 076685
FRNo.007952C

Place : Kanpur
Date : 30-05-2025

For RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582

Sd/

Kannan Agarwal
(Managing Director)
DIN: 07318672

Sd/

Bindu Agarwal
(Director)
DIN: 01578595

Sd/

Kashish Grover
(Chief Financial Officer)

Sd/

Vrinda Agarwal
(Company Secretary)



RAKAN STEELS LIMITED

Cash Flow Statement For The Year Ended 31.03.2025

Particulars		Year Ended 31.03.2025		Year Ended 31.03.2024
A Cash Flow from Operating Activities				
Profit for the Year before tax & extraordinary items		1296484		949687
Adjustment for:				
Depreciation	1134039		775082	
Interest & Financial Charges	5632774	6766813	5831567	6606649
Operating Profit before Working Capital changes		8063297		7556336
Adjustments for:				
(Increase)/Decrease in Loans and Advances	0		0	
(Increase)/Decrease in Trade Receivables	14334448		3216091	
(Increase)/Decrease in Inventory	7719193		8630809	
(Increase)/Decrease in Current Assets	-1429297		-2402451	
Increase/(Decrease) in current Liabilities	-8519826		622044	
Less:-Direct Taxes Paid (Net)	-192255	11912263	-205175	9861318
Net Cash from Operating Activities		19975560		17417654
B Cash Flow from Investing Activities				
Purchase of fixed asset	9241388	-9241388	20763178	-20763178
Purchase of investment	0	0	0	0
(Increase)/Decrease in Non Current Assets	0	0	-400000	-400000
Increase/(Decrease) in Non Current Liabilities	4605003	4605003	9974997	9974997
Net Cash from Investing Activities		-4636385		-11188181

C Cash Flow from Financing Activities				
(Payment)/ Receipt of Long Term Borrowing	-9056500		-1173942	
(Payment)/ Receipt of other Long Term Liabilities	0		0	
Interest and Financial Charges	-5632774		-5831567	
Dividends paid	0	-14689274	0	-7005509
Net Cash from Financing Activities		-14689274		-7005509
NET CASH FLOWS DURING THE YEAR(A+B+C)		649901		-776036
Cash and Cash Equivalents(Opening Balance)		1715391		2491427
Cash and Cash Equivalents(Closing Balance)		2365292		1715391

For Vishal Maheshwari & Company
Chartered Accountants

For RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582

(Vishal Maheshwari)
Partner
M.No: 076685
FRNo.007952C

Kannan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place : Kanpur
Date : 30-05-2025

Kashish Grover
(Chief Financial Officer)

Vrinda Agarwal
(Company Secretary)



STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2025

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2025

Balance as at 1st April, 2024	Changes in Equity Share Capital	Balance as at 31st March, 2025
3,24,00,000	-	3,24,00,000

B. OTHER EQUITY

	Reserves & Surplus				Other Comprehensive Income				Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instrumen ts through Other Comprehe nsive Income	Currency Translatio n Reserve	Effective Portion of Hedge Cash Flow	Other Items of Other Comprehe nsive Income	
As at 31st March 2025									
Opening Balance as at 1st April, 2024	1,40,00,000	8,00,000	15,89,220	1,51,078	-	-	-	-	1,65,40,298
Profit for the year	-	-	-	11,07,759	-	-	-	-	11,07,759
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Capital Reserve	-	-	-	-	-	-	-	-	-
Capital Subsidy (effect under Ind AS to be seen)	-	-	-	-	-	-	-	-	-
Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-
Closing Balance as at 31st March, 2025	1,40,00,000	8,00,000	15,89,220	12,58,837	-	-	-	-	1,76,48,057

	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instrumen ts through Other Comprehe nsive Income	Currency Translatio n Reserve	Effective Portion of Hedge Cash Flow	Other Items of Other Comprehe nsive Income	Total
As at 31st March 2024									
Opening Balance as at 1st April, 2023	1,40,00,000	8,00,000	15,89,220	-5,37,785	-	-	-	-	1,58,51,435
Profit for the year	-	-	-	6,88,863	-	-	-	-	6,88,863
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Capital Reserve	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	-	-	-	-	-	-	-	-
Capital Subsidy (effect under Ind AS to be seen)	-	-	-	-	-	-	-	-	-
Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-
Closing Balance as at 31st March, 2024	1,40,00,000	8,00,000	15,89,220	1,51,078	-	-	-	-	1,65,40,298

For RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582

Kannan Agarwal
(Managing Director)
DIN: 07318672

Date : 30-05-2025
Place : Kanpur



RAKAN STEELS LIMITED

Notes forming part of the Financial Statements

2.1 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block				Depreciation				NET BLOCK	
	As at 1st	Additions	Deductions/ Derecognition	As at 31st	As at 1st	For the	Deductions/ Derecognition	As at 31st	As at 31st	As at 1st
	April, 2024			March, 2025	April, 2024	Year		March, 2025	March, 2025	April, 2024
Tangible Assets *										
Land	3,70,00,000	92,50,000	-	4,62,50,000	-	-	-	-	4,62,50,000	3,70,00,000
Laboratory Equipment	15,23,265	-	-	15,23,265	14,47,071	30.00	-	14,47,101	76,164	76,194
Computer Peripherals	14,45,467	22,864	-	14,68,331	9,15,845	3,12,453.00	-	12,28,298	2,40,033	5,29,622
Buildings	34,08,464	-	-	34,08,464	10,73,288	1,13,723.00	-	11,87,011	22,21,453	23,35,176
Plant & Machinery	39,82,298	30,006	-	40,12,304	26,43,794	2,43,421.00	-	28,87,215	11,25,089	13,38,504
Office Equipments	11,26,323	-	-	11,26,323	9,51,013	68,729.00	-	10,19,742	1,06,581	1,75,310
Furniture & Fittings	11,62,422	-	-	11,62,422	2,65,141	2,31,376.00	-	4,96,517	6,65,905	8,97,281
Vehicles	33,30,162	-	12,29,628	21,00,534	29,13,312	1,10,982.00	11,68,147.00	18,56,147	2,44,387	4,16,850
Electrical Equipments	2,57,206	-	-	2,57,206	51,239	53,325.00	-	1,04,564	1,52,642	2,05,967
Total Tangible Assets	5,32,35,607	93,02,870	12,29,628.00	6,13,08,849	1,02,60,703	11,34,039	11,68,147.00	1,02,26,595	5,10,82,254	4,29,74,905
Previous Year	3,24,72,429	2,07,63,178	-	5,32,35,607	94,85,622	7,75,082	-	1,02,60,704	4,29,74,903	2,29,86,807

* The Tangible Assets of the Company are pledged as security against the secured borrowings disclosed in the separate note

The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.



RAKAN STEELS LIMITED		
2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
	As at 31st March, 2025	As at 31st March, 2024
Investments at Cost		
Investments in Equity instruments of Subsidiaries		
Unquoted		
Total Investments carried at cost	0	0
Investments at fair value through OCI (fully paid)		
Quoted Shares		
Unquoted Investments in Equity Shares	0	0
Quoted Investments in Mutual Funds	0	0
Investments carried at fair value through Other Comprehensive Income	0	0
Total Investments	0	0
Current	0	0
Non-Current	0	0
	0	0
2.3 NON-CURRENT FINANCIAL ASSETS - LOANS		
	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, Considered Good unless otherwise stated)		
Loans to Related Parties	0	0
Other Loans	0	0
Loans to Employees	0	0
	0	0
2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS		
	As at 31st March, 2025	As at 31st March, 2024
Fixed Deposits with Banks with maturity more than 12 Months	0	0
	0	0
2.5 OTHER NON-CURRENT ASSETS		
	As at 31st March, 2025	As at 31st March, 2024
Capital Advances for Purchase of Property, Plant and Equipment	0	0
Security Deposits	8,73,667	8,73,667
Other Advances (Deposit with Government Authorities, etc.)	0	0
	8,73,667	8,73,667
Security Deposits :		
Secured, considered good	0	0
Unsecured, considered good	873667	873667
Doubtful less allowances for bad and doubtful debts	0	0
No Debts are due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.		
2.6 INVENTORIES		
(Valued at lower of cost and net realisable value, unless otherwise stated)		
	As at 31st March, 2025	As at 31st March, 2024
Raw Material	67,55,851	37,69,727
Finished Goods	4,68,30,620	5,75,35,937
Stock in Process	0	0
Packing Materials, Stores & Chemicals	3,00,000	3,00,000
	5,38,86,471	6,16,05,664
2.6.1	The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. No Provision are made for the year (31st March 2024 Rs. Nil). Inventory values shown above are net of the provisions.	
2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS		
	As at 31st March, 2025	As at 31st March, 2024
Investments at fair value through FVTPL (fully paid)		
Quoted Shares	0	0
Quoted Investments in Mutual Funds	0	0
Investments carried at fair value through Other Comprehensive Income	0	0
Total Investments	0	0



2.8 TRADE RECEIVABLES				As at 31st March, 2025	As at 31st March, 2024	
a) Trade Receivables considered good – Secured.				0	0	
b) Trade Receivables considered good – Unsecured.				1,50,69,027	2,94,03,475	
c) Trade Receivables that have an increase in Credit Risk that is significant.				0	0	
d) Trade Receivables – Credit Impaired.				0	0	
Less: Impairment Loss				1,50,69,027	2,94,03,475	
				0	0	
				1,50,69,027	2,94,03,475	
Particulars		Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good		13672634	1333392	4944	58057	0
(ii) Undisputed Trade Receivables – considered doubtful		0	0	0	0	0
(iii) Disputed Trade Receivables considered good		0	0	0	0	0
(iv) Disputed Trade Receivables considered doubtful		0	0	0	0	0
(v) Disputed Trade Receivables – which have significant increase in credit risk		0	0	0	0	0
(vi) Disputed Trade Receivables – credit impaired		0	0	0	0	0
No Debts are due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.						

2.9 CASH AND CASH EQUIVALENTS				As at 31st March, 2025	As at 31st March, 2024
Cash in hand				18,22,449	16,79,985
Balances with Banks					
In Current Account				5,42,843	35,406
In Deposit Account - Original Maturity of 3 Months or Less				-	-
				23,65,292	17,15,391
2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				As at 31st March, 2025	As at 31st March, 2024
Deposits with Bank in Dividend Account				0	0
Bank Deposits (with maturity more than 3 months but less than 12 months)				0	0
				0	0
# Whether Lodged as security with Any Authority					



2.11	CURRENT FINANCIAL ASSETS - LOANS		
		As at 31st March, 2025	As at 31st March, 2024
	a) Loans Receivables considered good – Secured.	0	0
	b) Loans Receivables considered good – Unsecured.	0	0
	c) Loans Receivables which have a significant increase in credit risk.	0	0
	d) Loans Receivables – Credit Impaired.	0	0
		0	0
2.12	OTHERS FINANCIAL ASSETS		
		As at 31st March, 2025	As at 31st March, 2024
	Interest Accrued on Fixed Deposit	0	0
	Cash Flow Hedges	0	0
		0	0
2.13	CURRENT TAX ASSETS (NET)		
		As at 31st March, 2025	As at 31st March, 2024
	Advance Income Tax (Net of Provision)	-	-
	GST (Net of Provision)	-	8,87,946
		-	8,87,946
2.14	OTHER CURRENT ASSETS		
		As at 31st March, 2025	As at 31st March, 2024
	Unsecured, Considered Good		
	Advances to Suppliers	24,49,900	28,18,630
	Prepaid Expenses Pre Paid Insurance	5,61,106	5,72,915
	Other Advances	28,41,894	1,44,112
		58,52,900	35,35,657

2.15 EQUITY SHARE CAPITAL

		As at 31st March, 2025	As at 31st March, 2024
2.151	Authorised		
	5,50,00,000 Equity Shares of Re. 1/- each (Previous Year 5,50,00,000 Equity Shares of Re. 1/- each)	5,50,00,000	5,50,00,000
		5,50,00,000	5,50,00,000
		As at 31st March, 2025	As at 31st March, 2024
2.152	Issued, Subscribed and Fully Paid-up		
	3,24,00,000 Equity Shares of Re. 1/- each (Previous Year 3,24,00,000 Equity Shares of Re. 1/- each)	3,24,00,000	3,24,00,000
		3,24,00,000	3,24,00,000

2.153 Reconciliation of the Number of Equity Shares Outstanding

	Number of Shares	
	Current Year	Previous Year
Outstanding as at the beginning of the year	3,24,00,000	3,24,00,000
Add: Issued/sub-divided during the year	-	-
Outstanding as at the end of the year	3,24,00,000	3,24,00,000

2.154 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Re. 1 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees but has not proposed any dividend for the current year.



In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

2.155 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

	Current Year		Previous Year	
	No. of Share	% Holding	No. of Shares	% Holding
Rajvardhan Agencies Private Limited	2683000	8.28%	2683000	8.28%
Surendra Mohan Agarwal	2431000	7.50%	2431000	7.50%
SANDEEP AGARWAL	1688160	5.21%	1688160	5.21%

Name of Promoter	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of
RAJVARDHAN AGENCIES PVT LTD	2683000	8.28%	2683000	8.28%
SURENDRA MOHAN AGARWAL	2431000	7.50%	2431000	7.50%
SANDEEP AGARWAL	1688160	5.21%	1688160	5.21%
SANJEEV AGARWAL	1103000	3.40%	1103000	3.40%
PAWAN KUMARI AGARWAL	830000	2.56%	830000	2.56%
BINDU AGARWAL	819500	2.53%	819500	2.53%

2.16 OTHER EQUITY

	As at 31st March, 2025	As at 31st March, 2024
Securities Premium Reserve	14000000	14000000
General Reserve	800000	800000
Capital Reserve	1589220	1589220
Retained Earnings	1258837	151077.65
Other Comprehensive Income	0	0
	<u>17648057</u>	<u>16540297.65</u>

The Description of the nature and purpose of each reserve within equity is as follows:

- Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.
- Capital Reserve:** Capital Reserve is the reserve created by investment made in plant and machinery in accordance with the then applicable Government Policies. It can be used for acquiring plant and machinery and other capital investments.


2.17 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2025	As at 31st March, 2024
Secured		
Rupee Term Loan from Banks	4,80,54,979	4,75,51,862
Foreign Currency Term Loan from Banks		
Un-Secured		
Loans & Advances from Related Parties/ Shareholders & Directors	17,17,493	1,12,77,110
	4,97,72,472	5,88,28,972

2.17.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

	Maturity Profile			
	Within 2 Years	2 - 3 Years	5 - 6 Years	7 Years & Above
Secured				
Rupee Term Loan from Banks	48054979	0	0	0
Foreign Currency Term Loan from Banks	0	0	0	0
Current Year	0	0	0	0
Previous Year	0	0	0	0

2.18 NON-CURRENT OTHER FINANCIAL LIABILITIES

	As at 31st March, 2025	As at 31st March, 2024
Security and other Deposits	0	0
	0	0

2.19 NON-CURRENT PROVISIONS

	As at 31st March, 2025	As at 31st March, 2024
Employees Benefits - Gratuity etc	0	0
	0	0

2.20 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2024	MAT Credit Utilized	Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2025
Deferred Tax Liabilities:	0	0	0	0	0
Accumulated Depreciation	-107347	0	-3530	0	-110877
Fair Valuation of Equity Instruments and Bonds measured at FVTPL	0	0	0	0	0
Fair Valuation of Mutual Funds measured at FVTPL	0	0	0	0	0
Others	0	0	0	0	0
	-107347	0	-3530	0	-110877
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	0	0	0	0	0
Expenses Allowable in Instalments in Income Tax	0	0	0	0	0
Provision for Contingencies Allowable on Payment Basis	0	0	0	0	0
MAT Credit Entitlement	0	0	0	0	0
Fair Valuation of Preference Shares measured at FVTPL	0	0	0	0	0
	0	0	0	0	0
Deferred Tax Liabilities (Net)	-107347	0	-3530	0	-110877

NOT IN BOOKS



	As at 31st March, 2023		Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2024
Deferred Tax Liabilities:	0	0	0	0	0
Accumulated Depreciation	-162996	0	55649	0	-107347
Fair Valuation of Equity Instruments and Bonds measured at FVTOCI	0	0	0	0	0
Fair Valuation of Mutual Funds measured at FVTPL	0	0	0	0	0
Others	0	0	0	0	0
	<u>-162996</u>	<u>0</u>	<u>55649</u>	<u>0</u>	<u>-107347</u>
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	0	0	0	0	0
Expenses Allowable in Instalments in Income Tax	0	0	0	0	0
Provision for Contingencies Allowable on Payment Basis	0	0	0	0	0
MAT Credit Entitlement	0	0	0	0	0
Fair Valuation of Preference Shares measured at FVTPL	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Tax Liabilities (Net)	<u>-162996</u>	<u>0</u>	<u>55649</u>	<u>0</u>	<u>-107347</u>

2.21 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2025	As at 31st March, 2024
Other Creditors	14500000	10024997
Deferred Revenue from Government Grant	0	0
Other Liabilities	0	0
	<u>14500000</u>	<u>10024997</u>

2.22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2025	As at 31st March, 2024
Loans Repayable on Demand from Banks		
Secured:		
Working Capital Borrowings	565025	3674196
	<u>565025</u>	<u>3674196</u>

2.22.1 Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company.



2.23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31st March, 2025	As at 31st March, 2024
Due to Micro and Small Enterprises	-	-
Due to Related Parties	0	0
Others	74,16,827	63,69,660
	<u>74,16,827</u>	<u>63,69,660</u>

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables Ageing Schedule

Trade Payables Ageing Schedule						
Particulars	Outstanding for following periods from due date of Payment					
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)MSME		-	-	-	-	-
(ii)Others		67,11,565	6,46,762	58,500	-	74,16,827
(iii)Disputed dues-MSME		-	-	-	-	-
(iv)Disputed Dues - Others		-	-	-	-	-

2.24 CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2025	As at 31st March, 2024
Current Maturities of Long-Term Debts (Note 2.16.1)	-	-
Interest Accrued but not Due on Borrowings	-	-
Security and Other Deposits (Trade Deposits)	-	-
Dividend Payable	-	-
Liability for Capital Goods	-	-
Other Payables (including Retention money etc.)	-	-
Term Loan Installments repayable	-	1,48,286
	<u>-</u>	<u>1,48,286</u>

2.25 OTHER CURRENT LIABILITIES

	As at 31st March, 2025	As at 31st March, 2024
Statutory Liabilities	-	-
Advance from Customers	47,83,152	1,03,83,695
Deferred Revenue from Government Grant	-	-
Other Payables (including Employee Benefits Payable, Provision etc.)	17,97,151	25,06,144
	<u>65,80,303</u>	<u>1,28,89,839</u>

2.26 CURRENT PROVISIONS

	As at 31st March, 2025	As at 31st March, 2024
For Employee Benefits (Leave Encashment and Pension)	-	-
Provision for Taxation	3,30,000	2,00,000
	<u>3,30,000</u>	<u>2,00,000</u>

2.26.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

	As at 31st March, 2025	As at 31st March, 2024
Changes in provisions required by Ind AS-37	0	0
	<u>0</u>	<u>0</u>



3.1 SALE OF PRODUCT & SERVICES (GROSS)

	Current Year	Previous Year
Sale of Product	9,46,78,430	14,86,28,915
Sale of Land	1,75,22,676	
Stock converted into Capital asset	92,50,000	1,85,00,000
Sale of Service:		
Educational Fee Receipt	29,08,945	22,46,501
	<u>12,43,60,051</u>	<u>16,93,75,416</u>

3.2 OTHER INCOME

	Current Year	Previous Year
Interest Received	-	-
Interest on Income Tax Refund	-	-
Rate Difference	-	4,189
Dividend	-	-
Profit of Sale of Investments	-	-
Profit of Sale of Assets	1,98,518	-
Profit of Sale of Investments (Measured at FVTPL)	-	-
Other Income	3,30,000	6,90,803
	<u>5,28,518</u>	<u>6,94,992</u>

3.3 COST OF MATERIAL CONSUMED

	Current Year	Previous Year
Raw-Material Consumed		
Opening Stock	37,69,727	79,02,871
Add: Purchase & Incidental Expenses	8,59,82,327	10,89,30,446
Less: Closing Stock	67,55,851	37,69,727
Raw-Material Consumed	<u>8,29,96,203</u>	<u>11,30,63,590</u>
Packing Material, Stores & Chemicals consumed		
Opening Stock	3,00,000	3,00,000
Add: Purchase & Incidental Expenses	7,35,314	12,57,131
Less: Closing Stock	3,00,000	3,00,000
Packing Material, Stores & Chemicals consumed	<u>7,35,314</u>	<u>12,57,131</u>
	<u>8,37,31,517</u>	<u>11,43,20,721</u>

3.4 PURCHASE OF STOCK-IN-TRADE

	Current Year	Previous Year
Purchase of Stock	13,80,389	2,35,16,323
	<u>13,80,389</u>	<u>2,35,16,323</u>

3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

	Current Year	Previous Year
Opening Stock		
Finished Goods	5,75,35,937	6,20,33,602
Stock-in-Process	-	-
	<u>5,75,35,937</u>	<u>6,20,33,602</u>
Less: Closing Stock		
Finished Goods	4,68,30,620	5,75,35,937
Stock-in-Process	-	-
	<u>4,68,30,620</u>	<u>5,75,35,937</u>
(Increase)/Decrease in Stock	<u>1,07,05,317</u>	<u>44,97,665</u>



3.6 EMPLOYEES BENEFIT EXPENSES

	Current Year	Previous Year
Salaries, Wages and Bonus etc	73,11,299	42,26,732
Contribution to Provident and other funds	53,383	71,670
Staff Welfare Expenses	88,300	54,054
	74,52,982	43,52,456

3.7 FINANCE COST

	Current Year	Previous Year
Interest Expense	56,32,774	57,57,334
Other Finance Cost	-	74,233
	56,32,774	58,31,567

3.8 OTHER EXPENSES

	Current Year	Previous Year
Manufacturing Expenses		
Power and Fuel	26,95,999	23,28,790
Freight and Cartage	15,20,488	29,82,598
Factory expenses	-	1,67,477
Administrative, Selling & Distribution Expenses		
Administrative Expenses		
Advertisement & Publicity	2,12,115	6,82,625
Auditor Fees	50,000	50,000
Business Promotion	2,66,692	3,99,625
Director's/ CFO Remuneration	32,25,000	32,25,000
Fooding Expenses	24,70,500	-
Insurance	64,579	1,00,689
Legal Expenses	-	-
Miscellaneous Expenses	2,75,681	3,26,719
Office Expenses	1,11,262	3,73,949
Postage, Telegram & telephone	31,000	42,503
Printing & Stationery	13,509	1,29,757
Professional & Consultancy Charges	6,28,490	7,99,164
Rate & Taxes & Fees	6,67,870	24,24,824
Repairs & Maintenance (Building)	1,46,984	6,63,151
Repairs & Maintenance (Machine)	1,94,449	4,32,494
Travelling & Conveyance Expenses	3,76,200	3,05,363
Vehicle Running & Maintenance	3,26,378	3,92,179
Selling Expenses	2,77,871	-
Rent	-	-
Prior Period Expenditure	-	-
Loss of Property, Plant & Machinery De-recognised	-	-
CSR Expenses	-	-
	1,35,55,067	1,58,26,907

Bifurcation of Audit fees



3.9 OTHER COMPREHENSIVE INCOME

	Current Year	Previous Year
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	-	-
Re-measurement of Defined Benefit Plan		
Less: Income Tax	-	-
Items that will be reclassified to Profit and Loss		
Exchange differences on translating foreign operations	-	-
Less: Income Tax	-	-
	-	-

Annex. 2.5 LIST OF SECURITY DEPOSITS AS AT 31.3.2025	
Particulars	Amount
Electricity Security Deposit	300000
Security A/c (Sail)	78667
Security A/c (Sail Emd)	800
Security A/c (U.P.S.E.B.)	85700
Security A/c (U.P.S.I.D.C.)	1000
Security A/c (U.P Skill Development Society)	400000
Security (B.P.C.L)	7500
Grand Total	873667



Annex. 2.8 LIST OF SUNDRY DEBTORS AS AT 31.3.2025	
Particulars	Amount
Rajiv Enterprises	889993
Rajvardhan Agencies Pvt. Ltd.	8190313
Arjun Siddarth Dixit	9579
A.R. Thermosets Pvt. Ltd.	80842
Arti Iron Store	267535
Bhai Trading Company	225250
Bharat Traders	51404
Consultant	11231
Cost Control Officer	25406
Diya Wire Netting	25000
Durga Hardware Stores	68400
Jeet Ispat	37376
JWMPV	21420
Kesarwani Traders	461270
Keshav Wire Store	140695
K P Steels	157750
Pranjal Steels	144923
Raj Trading Company	188848
Rakan ITI DEBTORS	2864412
Shakra Traders	940391
Shobhit Kumar Shiv Kumar	90576
Sr DMM DIV SBC	4944
Vinod Kumar	171470
Grand Total	15069027

Annex. 2.9 Cash & Cash Equivalents	
Particulars	Amount
HDFC Bank	145029
Bank of India ITI	12910
HDFC Bank ITI	59905
Fixed Deposit	325000
Cash in hand	1822449
Grand Total	2365292


Annex. 2.14 OTHER CURRENT ASSETS AS AT 31.3.2025

Particulars LIST OF ADVANCE TO SUPPLIERS	Amount
BALA JI WIRES PVT LTD	51529
Lucent Steels Private Limited	470082
Sankat Mochan Trading Company	900000
Shyam Metalics and Energy Ltd	1028288
SubTotal (A)	2449900
Prepaid Exp.	
Prepaid Expenses	529144
Prepaid Insurance	31962
SubTotal (B)	561106

Post office	10080
Tds Receivable	64723
UPSIDC Kanpur	17133
Vishakhapattanam Plant Kanpur	52484
Performance Guarantee for OFC	24868
KTL PVT LTD	50000
RAKESH GARG ADVOCATE	25000
RIBOTRIP HOLIDAYS LLP	94000
RMSA CONSULTANTS	3606
SHREE KRISHNA CHEMICALS	2500000
SubTotal (C)	2841894

Grand Total	5852900
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Annex. 2.17 LIST OF BORROWINGS AS AT 31.3.2025
Secured

State Bank of India	48054979
SubTotal (A)	48054979

Unsecured

Kannan Agarwal	1457354
Sandeep S. Gupta	2439
Sanjeev Agarwal	43679
Shilpa Gupta	181503
Surendra Mohan Agarwal	25125
Bindu Agarwal	7393
Sub Total (B)	1717493
Grand Total	49772472


Annex. 2.21 Other Non-Current Liabilities

Particulars	Amount
Ganpati Road Carrier	7000000
Samyak Jain	7500000
Total	14500000

Annex. 2.22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	Amount
CGTME Loan (Secured Loan)	565025

Annex. 2.23 LIST OF SUNDRY CREDITORS AS AT 31.3.2024

Particulars	Amount
Abhinav Dwivedi (Employee)	33000
Bindu Agarwal Remuneration	32381
Confederation Of Indian Industry- Uttarakhand	12978
EZEE DIGITAL SOLUTION PVT LTD	50062
Janpragati Engineering Pvt. Ltd.	2531225
Kamal Steels	521874
Kannan Agarwal Remuneration	200000
Kashish Agarwal Remuneration	369191
Kishan Lal Pawan Kumar Jain	611483
Kriyansh Metalics	2503229
National Securities Depository Limited	59559
NEW TECH TRANSFORMERS	106000
Rajani Mukesh and Associates	58500
Shri Jay Khodiyar Krupa Engineers	3339
Skyline Financial Services Pvt. Ltd.	500
THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND I	9440
The Jewel Orchid	38000
Trio Communication	15087
Uttar Pradesh Skill Development Mission	82391
Vishal Maheshwari & Company	178587
Grand Total	7416827



Annex 2.25 LIST OF ADVANCES FROM CUSTOMERS AS AT 31.3.2024	
Particulars	Amount
ShriBarsana Wire and Wire Mesh Pvt Ltd	4016301
Sidhi Vinayak Traders	70209
Jyoti Sales	454118
Shivam Hardware	170912
GAURI SHANKAR ENTERPRISES	34236
Jeet Ispat	37376
SubTotal	4783152

Other Payables

Anusha Agarwal Salary	600000
Other staff salary	143248
Shilpa Gupta salary	600000
Surendra Mohan Agarwal (Salary)	300000
Audit Fee Payable	45000
ESIC Payable	3889
GST Payable	27550
TDS Payable	43158
Kannan Agarwal Imprest	34306
Sub Total	1797151
<u>Grand Total</u>	<u>6580303</u>

Annex 2.26 Provision as at 31.3.2025	
Particulars	Amount
Provision For Income Tax	330000
Grand Total	330000



Additional Regulatory Information

(i)	Title deeds of immovable property not held in the name of the company :	<i>There is no such title deed of immovable property which is not held in the name of the company.</i>
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	Relevant Line Item in the Balance Sheet	Description of item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	PPE	Land					
		Building					
	Investment Property	Land					
		Building					
	PPE retired from active use and held for	Land					
		Building					
	Others						

(ii)	Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 :	No Revaluation of Assets done during the year
(iii)	Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:	No loans & advances granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person during the year.



- (a) repayable on demand or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMP		
Related Party		

- (iv) Capital-Work-in Progress (CWIP) : There are no assets under Capital-work-in progress.

- (a) For Capital-work-in progress, following ageing schedule shall be given:

CWIP aging schedule

CWIP	Amount in CWIP for a period of				(Amount in Rs.) Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

*Total shall tally with CWIP amount in the balance sheet.

- (b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given**:

CWIP	To be completed in				(Amount in Rs.)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1					
Project 2					

**Details of projects where activity has been suspended shall be given separately.

- (v) Intangible assets under development : There are no Intangible assets under development.

- (a) For Intangible assets under development, following ageing schedule shall be given:

Intangible assets under development ageing schedule

Intangible Assets under development	Amount in CWIP for a period of				(Amount in Rs.) Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

* Total shall tally with the amount of Intangible assets under development in the balance sheet.



- (b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given**:

(Amount in Rs.)

Intangible Assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1				
Project 2				

**Details of projects where activity has been suspended shall be given separately.

- vi)

Details of Benami Property held :	No Benami Property is being held by the company.
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Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-

- (a) Details of such property, including year of acquisition,
- (b) Amount thereof,
- (c) Details of Beneficiaries,
- (d) If property is in the books, then reference to the item in the Balance Sheet,
- (e) If property is not in the books, then the fact shall be stated with reasons
- (f) Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor then the details shall be provided,
- (g) Nature of proceedings, status of same and company's view on same.

- vii)

Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following :-	The Company has working capital borrowings from banks or financial institutions on the basis of security of current assets.
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- (a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.: Yes
- (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed. : not applicable

- viii)

Wilful Defaulter* :	The company is not declared as a Wilful defaulter by any bank or financial Institution or other lender.
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Where a company is a declared wilful defaulter by any bank or financial Institution or other lender, following details shall be given:

- (a) Date of declaration as wilful defaulter,
- (b) Details of defaults (amount and nature of defaults),

* "wilful defaulter" here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

- ix)

Relationship with Struck off Companies :	The company does not have any relationship / Transactions any struck off company.
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Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:-

Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		

x)	Registration of charges or satisfaction with Registrar of Companies :	There is no registration of charges or satisfaction to be registered with Registrar of Companies.
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Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.

xi)	Compliance with number of layers of companies :	The company does not have any layers of companies & therefore does not require to comply with the prescribed rule.
-----	---	--

Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.

xii)	Following Ratios to be disclosed:-	Refer to the separate annexure attached.
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- (a) Current Ratio,
- (b) Debt-Equity Ratio,
- (c) Debt Service Coverage Ratio,
- (d) Return on Equity Ratio,
- (e) Inventory turnover ratio,
- (f) Trade Receivables turnover ratio,
- (g) Trade payables turnover ratio,
- (h) Net capital turnover ratio,
- (i) Net profit ratio,
- (j) Return on Capital employed,
- (k) Return on investment

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

xiii)	Compliance with approved Scheme(s) of Arrangements :	There is no approved Scheme (s) of Arrangements
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Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.

xiv) Utilisation of Borrowed funds and share premium :

(A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:	The company has not advanced or loaned or invested funds to any other person or entity, including foreign entities.
---	---

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The company shall disclose the following:-

- (I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.
- (II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries.
- (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- (IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).;

(B) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :	<i>The company has not received any fund from any person or entity , including foreign entities from any other person or entity, including foreign entities during the year.</i>
--	--

- (i) 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

- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:-

- (I) date and amount of fund received from Funding parties with complete details of each Funding party.
- (II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries.
- (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- (IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).



RAKAN STEELS LIMITED (2024-25)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	CURRENT ASSETS	CURRENT LIABILITIES				
	77173690	14892155	5.18	4.17	19.48	
	97148133	23281981				
Debt-equity Ratio	TOTAL LIABILITIES	EQUITY CAPITAL				
	79164627	50048057	1.58	1.88	-19.02	
	92135950	48940298				
Debt service coverage ratio	NET OPERATING INCOME	CURRENT DEBT OBLIGATION				
	7346054	0	0.00	2.72	0.00	
	6526287	2400000				
Return on equity	NET INCOME	EQUITY SHAREHOLDER FUNDS				
	1107759	50048057	0.02	0.01	36.41	Substantial increase in net income as compared to shareholder's funds.
	688863	48940298				
Inventory turnover ratio	COST OF GOODS SOLD	AV. INVENTORY				
	100033710	57746068	1.73	2.24	-29.44	compared to decline in cost of goods sold.
	147813574	65921069				
Trade receivables turnover ratio	CREDIT SALE	AVG. TRADE RECEIVABLES				
	124360051	22236251	5.59	5.46	2.34	
	169375416	31011521				
Trade Payables turnover ratio	CREDIT PURCHASE	AVG. TRADE PAYABLES				
	88098030	6893244	12.78	28.67	-124.34	Substantial Decline in purchases but increase in average trade payables.
	133703900	4663225				
Net Capital turnover ratio	TURNOVER	CAPITAL EMPLOYED (CA-CL)				
	124360051	114320529	1.09	1.44	-32.18	Substantial Decline in turnover as compared to decline in capital
	169375416	117794267				
Net profit ratio	NET INCOME	REVENUE				
	1107759	124360051	0.01	0.00	54.34	Increase in net income whereas decrease in revenue.
	688863	169375416				
Return on capital employed	EBIT	CAPITAL EMPLOYED (TA-CL)				
	6929258	114320529	0.06	0.06	6.06	
	6707021	117794267				
Return on Investment	NET INCOME	AV. EQUITY				
	1107759	32400000	0.03	0.02	37.81	Increase in net income.
	688863	32400000				



RAKAN STEELS LIMITED

Notes to the Ind AS financial statements for the year ended March 31, 2025

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

For all periods upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2017 and succeeding years.

The financial statements for the year ended March 31, 2025 (the "Ind AS Financial Statements") have been prepared in accordance with Ind AS.

b) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Fair value measurement

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

c) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

All financial information presented in Rupees has been rounded to the nearest rupee.



RAKAN STEELS LIMITED

Notes to the Ind AS financial statements for the year ended March 31, 2025

SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty. However, GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer, which generally coincides with delivery. Revenues from sale of by products are included in revenue.

b) Property, Plant and Equipment

(i) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2015. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met when significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of



property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision or impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life (determined by the management based on technical estimates), as follows:

The estimated useful lives of assets are as follows:

- Buildings 60 years
- Plant and equipments 15 years
- Furniture and fixtures 8 years
- Vehicles 8 years
- Office equipments 5 years
- Laboratory equipments 5 years
- Electrical Installations and equipments 10 years
- Computer and data processing units 3-10 years
- Individual items of assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

c) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.



The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

e) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balance, as defined above.

f) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and conditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- 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, but excluding borrowing costs. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

Inventory includes non-current item in form of purchase of land kept in and accounted as Stock-In-Trade.



g) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(iii) Minimum Alternate Tax (MAT)

MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(iv) Direct Tax Contingencies

The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of incomes received. Contingent liability in respect of tax demands received from direct tax authorities in India is Rs. 60.80 Lacs as at March 31, 2025. These demand orders are being contested by the Company based on the management evaluation and advice of tax consultants. The Company periodically receives notices and inquiries from income tax authorities related to the business operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

h) Retirement Benefits

The company has not provided for any retirement benefits including gratuity.

i) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**j) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

k) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.