



INDEPENDENT AUDITOR'S REPORT

To the Members of Karbonsteel Engineering Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Karbonsteel Engineering Limited** ("the Company"), which comprise the balance sheet as at 31st March 2025, and the statement of Profit and Loss, and the cash flow statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 March 31, 2025, and profit for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so those Board of Directors are also responsible for overseeing the company's financial reporting process.



KARBONSTEEL ENGINEERING LIMITED

CIN :U74120MH2011PLC216558

B-8, Ratandeeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

BALANCE SHEET

As at March 31, 2025

(All Amount in Rupees in Lakhs)

Particulars	Notes	Figures as at the	Figures as at the
		end of current reporting year 31/03/2025	end of current reporting year 31/03/2024
EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	1	1,110.22	538.46
Surplus	2	4,926.75	3,887.51
		6,036.97	4,425.97
Non Current Liabilities			
Long-Term Borrowings	3	1,579.01	1,934.59
Deferred Tax Liability (net)	4	64.44	-
Long Term Provision	5	35.25	23.90
		1,678.70	1,958.48
Current Liabilities			
Short Term Borrowings	6	6,276.18	4,048.86
Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises;	7	270.01	177.95
(b) Total outstanding dues of other than micro enterprises and small enterprises		8,270.96	6,381.92
Other Current Liabilities	8	308.20	434.75
Short Term Provision	9	434.50	186.00
		15,559.85	11,229.48
		23,275.51	17,613.93
TOTAL			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10	3,579.33	2,658.45
Intangible assets		9.82	2.11
Deferred Tax Assets (net)	11	-	0.29
Long Term Loans and Advances	12	284.30	617.05
Other Non Current Assets	13	312.30	198.35
		4,185.75	3,476.24
Current Assets			
Inventories	14	11,163.27	8,055.31
Trade Receivables	15	6,049.99	4,682.41
Cash and Cash Equivalents	16	1,051.16	940.57
Short Term Loans and Advances	17	773.93	454.80
Other Current Assets	18	51.41	4.58
		19,089.76	14,137.68
		23,275.51	17,613.93
TOTAL			
Financial Ratios	28		
Significant Accounting Policies	A - B		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For Rao & Shyam

Chartered Accountants

Firm Registration No. 0061865

CA Vibhor Kala
Partner

Membership No.-143553

Mumbai, 14th August, 2025

UDIN: 25143553BMOZMD1391

**for and on behalf of the Board**

KARBONSTEEL ENGINEERING LIMITED

Mr. Shrenik Shah
Director
DIN-02070901Mrs. Mittal Shah
Director
DIN-07057998Siddhi
CS Siddhi Parmar
Company Secretary
M. No. A60563G.S. Bhandary
Ganesh Shripati Bhandary
Chief Financial Officer

KARBONSTEEL ENGINEERING LIMITED

CIN :U74120MH2011PLC216558

B-8, Ratandeeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

STATEMENT OF PROFIT & LOSS

For the Year Ended March 31, 2025

Particulars	NOTES	(All Amount in Rupees in Lakhs)	
		Figures as at the end of current reporting year 31/03/2025	Figures as at the end of current reporting year 31/03/2024
INCOME			
Revenue from Operations	19	27,305.35	21,833.76
		<u>27,305.35</u>	<u>21,833.76</u>
Other Income	20	85.47	43.54
		<u>85.47</u>	<u>43.54</u>
Total Income		<u>27,390.81</u>	<u>21,877.30</u>
EXPENSES			
Cost of Materials Consumed	21	22,472.75	13,989.00
Purchases of Stock-in-Trade	22	-	561.48
Changes in Inventories of Stock in Trade	23	(3,737.59)	1,140.95
Employee Benefit Expenses	24	1,015.98	884.00
Finance Costs	25	1,525.89	1,141.36
Depreciation and Amortization Expenses	10	309.41	235.66
Other Expenses	26	3,893.27	2,656.92
Total Expenses		<u>25,479.72</u>	<u>20,609.37</u>
Profit before tax		1,911.10	1,267.94
Tax expense:			
Current tax		476.49	334.40
Earlier year tax		-	-
Deferred tax		18.67	(8.34)
MAT Credit Entitlement		-	-
Profit/(Loss) for the year		<u>1,415.93</u>	<u>941.88</u>
Basic and Diluted Earnings per Share	27	<u>12.78</u>	<u>18.83</u>
Financial Ratios	28		
Significant Accounting Policies	A - B		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached.

For Rao & Shyam
Chartered Accountants
Firm Registration No. 006186S

Vibhor Kala
CA Vibhor Kala
Partner
Membership No.-143553
Mumbai, 14th August, 2025
UDIN: 25143553BMOZMD1391



for and on behalf of the Board
KARBONSTEEL ENGINEERING LIMITED

Shrenik Shah
Mr. Shrenik Shah
Director
DIN-02070901

Mittal Shah
Mrs. Mittal Shah
Director
DIN-07057998

Siddhi
CS Siddhi Parmar
Company Secretary
M. No. A60563

G.S. Bhandary
Ganesh Shripati Bhandary
Chief Financial Officer

KARBONSTEEL ENGINEERING LIMITED

CIN :U74120MH2011PLC216558

B-8, Ratandeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

CASH FLOW STATEMENT

For the year ended March 31, 2025

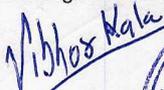
(All Amount in Rupees in Lakhs)

	Figures as at the end of current reporting year 31/03/2025	Figures as at the end of current reporting year 31/03/2024
<u>Cash flow from operating activities</u>		
Profit before extraordinary items and tax	1,911.10	1,267.94
Adjustments for:		
Depreciation and amortization expenses	309.41	235.66
Other Incomes	(74.14)	(36.12)
Finance Costs	1,525.89	1,164.64
Operating profit before working capital changes	3,672.26	2,632.12
(Increase)/Decrease in Trade Receivables	(1,367.58)	(2,512.88)
(Increase)/Decrease in Inventory	(3,107.95)	190.55
(Increase)/Decrease in Short-Term Loans & Advances	(319.13)	(66.21)
(Increase)/Decrease in Other Current Assets	(46.83)	(546.88)
Increase/(Decrease) in Trade Payables	1,981.10	(623.11)
Increase/(Decrease) in Short-Term Provision	0.65	7.01
Increase/(Decrease) in Other Current Liabilities	(126.55)	2,513.48
Net change in working capital	(2,986.29)	(1,038.03)
Cash generated from operations	685.97	1,594.09
Direct taxes paid, net	(229.00)	-
Net cash generated from operating activities	456.97	1,594.09
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(1,238.00)	(1,074.49)
Sale of Fixed Assets	-	-
Increase/(Decrease) in Long Term Loan & advances	332.74	(96.71)
Increase/(Decrease) in Other non current assets	(113.95)	-
(Increase)/Decrease in Fixed Deposits	(120.23)	461.81
Other Incomes	74.14	36.12
Net cash generated from investing activities	(1,065.29)	(673.28)
<u>Cash flow from financing activities</u>		
Finance Cost	(1,525.89)	(1,164.64)
Increase/(Decrease) in Long Term Borrowing	(355.57)	(188.74)
Increase/(Decrease) in Short Term Borrowing	2,227.32	(95.33)
Increase/(Decrease) in Long Term Provision	11.35	23.90
Increase/(Decrease) in Security Premium	(330.29)	524.58
Issue of Shares	571.76	38.86
Net cash used in financing activities	598.68	(861.38)
Net increase / (decrease) in cash and bank balance	(9.64)	59.43
Cash and cash equivalents at beginning of the year	64.01	4.58
Cash and cash equivalents at the end of the year	54.36	64.01

For Rao & Shyam

Chartered Accountants

Firm Registration No. 0061865


CA Vibhor Kala
Partner

Membership No. 143553

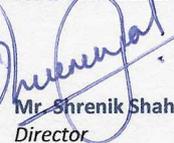
Mumbai, 14th August, 2025

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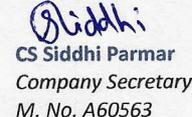


for and on behalf of the Board

KARBONSTEEL ENGINEERING LIMITED


Mr. Shrenik Shah
Director

DIN-02070901


CS Siddhi Parmar
Company Secretary

M. No. A60563


Mrs. Mittal Shah
Director

DIN-07057998


Ganesh Shripati Bhandary
Chief Financial Officer

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(b) The Balance Sheet, the Statement of Profit and Loss, the cash flow statement dealt with by this Report are in agreement with the books of account

(c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(d) On the basis of the written representations received from the directors as on 31st March, 2025 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 Section 164 (2) of the Act.

(e) 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

(f) 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 may affect the financial position of the company
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



iv) a) The management has represented that, to the best of 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;

b) 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"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v) The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For and on behalf of

Rao and Shyam

CHARTERED ACCOUNTANTS

F.R. NO.: 006186S



Vibhor Kala

CA VIBHOR KALA

Partner

M. NO.: 143553

Place: Mumbai.

Date: 14th August, 2025

UDIN No.: 25143553BMOZMD1391

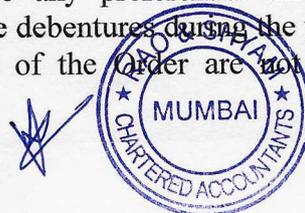
“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of Karbonsteel Engineering Limited

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2025:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) During the year under consideration there has not been any proceedings against the company under the Benami Transactions (Prohibition) Act, 1988
- e) No proceedings have been initiated or are pending against company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account and were not material.
- (iii) (a) The Company has granted loan to a body corporate covered in the register maintained under section 189 of the Companies Act, 2013. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (b) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) The company has not given any loan or guarantees or securities to any directors of the company. However the company has given corporate guarantees to a body corporate in which the directors are interested. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacturing activities and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Services Tax Act, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2025 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, the company does not have any Goods and Services Tax Act, Duty of Customs, or Income Tax pending payment in respect of any dispute before any forum.
- (c) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not issued any debenture for raising of money
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- (xv) In our opinion and according to the information and explanation give to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act 2013 are not applicable
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- (xvii) Based on our examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. I however state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xviii) There are no unspent amounts of Corporate Social Responsibility (CSR), requiring transfer to a fund specified in Schedule VII to the Companies Act. Accordingly, reporting under Clause 3(xx)(a) of the Order is not applicable for the year;

For and on behalf of
Rao and Shyam
CHARTERED ACCOUNTANTS
F.R. NO.: 006186S



Vibhor Kala

CA VIBHOR KALA
Partner
M. NO.: 143553

Place: Mumbai.
Date: 14th August, 2025
UDIN No.: 25143553BMOZMD1391

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KARBONSTEEL ENGINEERING LIMITED

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 **KARBONSTEEL ENGINEERING LIMITED** (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

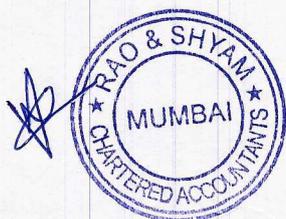
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 March 31, 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 and on behalf of
Rao and Shyam
CHARTERED ACCOUNTANTS
F.R. NO.: 006186S



Vibhor Kala

CA VIBHOR KALA
Partner
M. NO.: 143553

Place: Mumbai.

Date: 14th August, 2025

UDIN No.: 25143553BMOZMD1391

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES**A Background**

The Company was originally incorporated as "Karbon Steelmart Private Limited" on 21st April, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra with CIN **U74120MH2011PTC216558**. Subsequently, the name of the company was changed from "Karbon Steelmart Private Limited" to "Karbonsteel Engineering Private Limited" 2nd March, 2022. Thereafter, the Company was converted into a Public Limited Company and consequently the name of the Company was changed from "Karbonsteel Engineering Private Limited" to "Karbonsteel Engineering Limited" vide a fresh certificate of incorporation consequent upon conversion from private company to public company dated 24th

B Significant Accounting Policies**1 Basis of preparation of Financial Statements**

These Financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of the current and non-current classification of assets and liabilities.

The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to

2 Use of Estimates

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3 Accounting Convention

The Company follows the mercantile system of accounting, recognizing income and expenditure on an accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

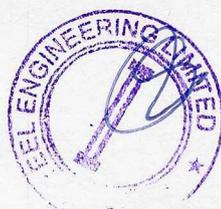
3.1 Revenue Recognition

Revenue is stated net of rebates and trade discounts and exclude applicable taxes such as goods & service tax. Revenue from the sale of products is recognized when substantially all risks and rewards of ownership are transferred to the buyers, which generally occurs upon dispatch, provided the price is determinable. Export benefits (Pass Book Credit) are accounted for and recognized upon utilization by the Company.

Dividend income on financial instruments is recognized on a receipt basis. Interest on deposits is recognized on an accrual

3.2 Property, Plant & Equipment and Intangible Assets**3.2.1 Property, Plant & Equipment**

- a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES

3.2.2 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

3.3 Impairment

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.4 Retirement Benefits & Other Employee Benefits

Short term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Defined-contribution plans

Retirement benefit in the form of Provident Fund and Employee State Insurance Corporation Fund (ESIC) are defined contribution schemes. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund and ESIC as a part of retirement benefits to its employees. The contributions during the period are charged to statement of profit and loss. The Company recognizes contribution payable to the Provident Fund and ESIC scheme as an expenditure when an employee renders related service.

Defined Benefit Plans

The Company provides for Gratuity, a defined benefit retirement plan ('The Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet Date using the projected unit credit method. The Company recognizes the net obligation of the Gratuity Plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS-15) 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise. The company's gratuity plan is unfunded.

3.5 Inventory

Raw Material, Store & Spares, WIP, Finished Goods and Trading Goods etc.

Stock of materials, etc. has been valued at lower of cost or market price. The cost includes all cost of purchase and incidental expenses to bring the inventory in present condition and present location. This cost also excludes the GST credit which is already availed.

3.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES

3.7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

3.8 Income Tax

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

3.9 Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.10 Foreign Exchange Transactions

The Company is exposed to foreign currency transactions including foreign currency revenues, and receivables. Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising from foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the period.

3.11 Provisions And Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably stimulated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure of a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of an outflow of resources is remote, no provision or disclosure is made.

3.12 Cash & Cash Equivalents

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



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CIN :U74120MH2011PLC216558

B-8, Ratandeeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

Figures as at the end of current reporting year 31/03/2025	Figures as at the end of current reporting year 31/03/2024
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1 Share Capital**1.1 Authorized**

1,50,00,000 (PY 1,50,00,000) Equity Shares @ Rs 10 each

1,500.00	1,500.00
-----------------	-----------------

Issued, Subscribed and Paid up

1,11,02,222 (PY 53,84,578) Equity Shares @ Rs.10 each

1,110.22	538.46
-----------------	---------------

1.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31st March 2025		31st March 2024	
	Nos.	Rupees	Nos.	Rupees
At the beginning of the year	53,84,578	538.46	49,96,000	499.60
Add: Issued during the year	1,66,533	16.65	3,88,578	38.86
Add: Bonus Issue of Equity Shares	55,51,111	555.11	-	-
Outstanding at the end of the year	1,11,02,222	1,110.22	53,84,578	538.46

1.3 The details of shareholder holding more than 5% shares as at 31st March 2025 is set out below:

Shareholder Name	31st March 2025		31st March 2024	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Shrenik Shah	54,06,240	48.70%	26,78,020	49.74%
Mittal Shah	21,06,160	18.97%	10,53,080	19.56%
Darshana Thakkar	19,80,000	17.83%	9,90,000	18.39%
Total	94,92,400	85.50%	47,21,100	87.68%

1.4 Terms/Rights attached to Shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.

The company has issued 1,66,533 Fresh Shares on 22 Apr, 2024 allotment Equity Shares of Rs. 10 each at the premium of Rs. 135/-

The company has issued 3,88,578 Fresh Shares on 27 Mar, 2024 allotment Equity Shares of Rs. 10 each, at the premium of Rs. 135/-

Bonus issue of 55,51,111 Equity Shares of Face Value of Rs.10/- each in the ratio of 1:1 i.e. One Bonus Equity Share for every One Equity Shares held by shareholders allotted on December 09, 2024.

Increase in Authorised Share Capital: Subsequent to the balance sheet date, the Company has increased its authorised share capital from ₹500 lakhs comprising 50,00,000 equity shares of ₹10 each to ₹1500 lakhs comprising 1,50,00,000 equity shares of ₹10 each, pursuant to a resolution passed by the shareholders at the Extraordinary General Meeting held on 01st February, 2024.

2 Surplus**Profit & Loss Account**

Surplus-Opening Balance

3,192.30	2,250.42
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Net Profit after tax transferred from Profit and Loss Statement

1,415.93	941.88
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Less: Prior Period Expenses

46.41	-
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Surplus Closing Balance

4,561.83	3,192.30
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Securities Premium Account

Securities Premium

920.03	695.21
---------------	--------

Less: Capitalisation of Reserves for issue of bonus shares

555.11	-
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364.92	695.21
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4,926.75	3,887.51
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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

3 Long Term Borrowing**Tem Loan****Secured**

From Banks

226.27 188.20

Unsecured

From Bank/ NBFC

130.64 -

Loans and advances from related parties (Unsecured)

Loans and advances from related parties

447.10 971.38

Loans and advances from others

775.00 775.00

1,579.01 1,934.59**3.1 Security Details:****Primary Security**

Stock, Book Debts, PG of directors, FDS margin against BG and LC, Current Asset

Collateral Security

Property 1 - Commercial Property Plot no 747 Kalamboli Steel Market, Kalamboli, Navi Mumbai-410209, (Market Value Rs.275 Lakh)

Property 2 - Commercial Shop Plot no 1270 Kalamboli Steel Market, Kalamboli, Navi Mumbai-410209, (Market Value Rs.275 Lakh)

Property 3 - Land & Building, Plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon, Area-6000 Sq. Ft., (Market Value Rs. 220.00 Lakh)

Property 4- Residential Flat no. B9 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Mumbai-400058, (Market Value Rs. 220.00 Lakh)

Property 5- Commercial Residential Shop, Flat no. B-8 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058 Area-842 sq. ft., (Market Value Rs. 231.55 Lakh)

Property 6- Flat no. 301 (3rd Floor), Plot No.79, SNO. 931,931/1 to 931/6, Bajaj road, Vijaya Apartment, Vile Parle West, Mumbai 400056, Area-1017 Sq. Ft., (Market Value Rs. 423 Lacs)

Also personal guarantee of- Shrenik Kirit Shah, Bhavin kirit Shah, Mittal Shrenik Shah & Smita Shah

Primary/Collateral Security

Hypothecation of all current assets.

Property 1 - Commercial Property Plot no 747 Kalamboli Steel Market, Kalamboli, Navi Mumbai-410209, (Market Value Rs.275 Lakh)

Property 2- Land & Building, Plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon

Property 3- Residential Flat no. B9 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Mumbai-400058, (Market Value Rs. 220.00 Lakh)

Property 4 - Commercial Shop Plot no 1270 Kalamboli Steel Market, Kalamboli, Navi Mumbai-410209, (Market Value Rs.275 Lakh)

Property 5- Flat no. B-8 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058

Property 6- Flat no. 301 (3rd Floor), Plot No.79, SNO. 931,931/1 to 931/6, Bajaj road, Vijaya Apartment, Vile Parle West, Mumbai 400056, Area-1017 Sq. Ft., (Market Value Rs. 423 Lacs)

Also personal guarantee of- Mr. Shrenik Kirit Shah, Mrs. Smitaben Kirit Shah & Mrs. Mittal Shrenik Shah

4 Deferred Tax Liabilities

Fixed Assets: Impact of difference between Book and Tax Depreciation

64.44 -

64.44 -**5 Long Term Provision**

Provsion for Gratuity Fund

35.25 23.90

35.25 23.90

The disclosure of Employee Benefits as defined in the Accounting Standard 15 - "Employee Benefits", is given at Note No. 1 below:



KARBONSTEEL ENGINEERING LIMITED

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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

6 Short Term Borrowings

Cash Credit From Bank (Secured)	3,172.86	2,210.88
Bill Discounting / Channel Finance	2,438.59	1,632.04
Current Maturities of Long Term Debt	664.73	205.94
	6,276.18	4,048.86

7 Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises and;

270.01 177.95

(b) Total outstanding dues of other than micro enterprises and small enterprises

4,241.12 3,159.05

Trade Payable Under Letter of Credit

4,029.84 3,222.86

8,540.97 6,559.87

7.1 Trade payables ageing schedule for the years ended as on March 31, 2025 and March 31, 2024 is as follows :

Outstanding for following period from due date of payment

Less than 6 months

6 months - 1 year

1-2 years

2-3 years

More than 3 Years

	As at 31st March,2025		As at 31st March,2024	
	Outstanding dues to MSME	Others	Outstanding dues to MSME	Others
Less than 6 months	-	-	-	-
6 months - 1 year	270.01	8,252.77	177.95	6,363.72
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 Years	-	18.19	-	18.19
	270.01	8,270.96	177.95	6,381.92

8 Other Current Liabilities

Salary & Employee Benefit

72.60 58.05

Statutory Dues

224.89 349.20

Director Remuneration Payable

3.93 12.40

Sundry Creditors for Capital Goods

6.78 15.11

308.20 434.75**9 Short Term Provision**

Provision for Income Tax

424.33 178.99

Provision for Audit Fees

7.90 5.40

Provision for Gratuity Fund

2.26 1.61

434.50 186.00

KARBONSTEEL ENGINEERING LIMITED
NOTES ON FINANCIAL STATEMENTS

Note: 10 Property, Plant and Equipment

Description	GROSS - BLOCK			DEPRECIATION			NET-BLOCK	
	As on 01.04.2024	Additions / (Deductions)	As on 31.03.2025	Up to 31.03.2024	For the Year	As on 31.03.2025	As on 31.03.2025	As on 31.03.2024
Property, Plant & Equipment:								
Land	353.96	-	353.96	-	-	-	353.96	353.96
Factory & Building	1,517.50	833.49	2,350.99	215.33	90.11	305.44	2,045.55	1,302.18
Computer & Printer	35.89	4.09	39.98	19.19	4.67	23.86	16.12	16.70
Plant & Machinery	1,573.74	310.10	1,883.84	742.43	175.42	917.85	966.00	831.31
Office Equipments	91.10	62.04	153.14	39.99	14.72	54.72	98.42	51.10
Furniture & Fixture	35.23	1.83	37.06	26.30	2.41	28.70	8.35	8.93
Motor & Vehicle	205.32	15.31	220.63	111.03	18.67	129.70	90.93	94.29
	3,812.74	1,226.86	5,039.60	1,154.27	306.00	1,460.27	3,579.33	2,658.45
Intangible:								
Software	10.64	11.12	21.76	8.53	3.41	11.94	9.82	2.11
	10.64	11.12	21.76	8.53	3.41	11.94	9.82	2.11
	3,823.38	1,237.98	5,061.36	1,162.80	309.41	1,472.21	3,589.15	2,660.56



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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

11 Deferred Tax Assets		
Fixed Assets: Impact of difference between Book and Tax Depreciation & Grauity	-	0.29
	-	0.29
12 Long Term Loans and Advances		
Loans to employees.	13.83	23.82
Advance for Construction	88.57	88.57
Advance to Supplier.	22.76	26.68
TDS Recoverable.	1.89	17.81
Retention Money.	157.24	460.17
	284.30	617.05
13 Other Non Current Assets		
Security Deposits	306.41	191.64
Rent Deposits.	5.89	6.71
	312.30	198.35
14 Inventories		
- Raw Materials & Packing Materials	438.94	1,068.58
- Work in progress	10,524.61	6,771.57
- Trading goods	199.71	215.17
	11,163.27	8,055.31
15 Trade Receivables		
(Unsecured, Considered Good, as certified by Management)		
Other Receivables	6,049.99	4,682.41
	6,049.99	4,682.41

15.1 The trade receivables ageing schedule for the years ended as on **March 31, 2025** and March 31, 2024 is as follows :

Outstanding for following period from due date of payment	As at 31st March, 2025		As at 31st March, 2024	
	Undisputed Trade Receivables - considered good	Undisputed Trade Receivables - credit impaired	Undisputed Trade Receivables - considered good	Undisputed Trade Receivables - credit impaired
Less than 6 months	5,535.44	-	4,132.91	-
6 months - 1 year	174.83	-	186.95	-
1-2 years	64.82	-	93.86	-
2-3 years	33.98	-	112.96	-
More than 3 Years	240.93	-	155.72	-
	6,049.99	-	4,682.41	-

16 Cash & Cash Equivalents		
Cash in Hand	2.95	0.41
Balances with Banks	51.41	63.60
Balance with Fixed Deposits	996.79	876.57
	1,051.16	940.57
17 Short Term Loans and Advances		
Unsecured, Considered Good unless otherwise stated		
Loans to employees	49.26	40.78
Pre-paid Expense	7.15	5.33
Retention Money	407.09	175.01
Balances with Govt. Authorities	139.21	113.75
TDS Recoverable	0.52	68.78
Advance to Supplier	170.70	51.14
	773.93	454.80
18 Other Current Assets		
Rent Deposits	7.01	4.58
IPO Expenses	44.40	-
	51.41	4.58



KARBONSTEEL ENGINEERING LIMITED

CIN :U74120MH2011PLC216558

B-8, Ratandeeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

19 Revenue from Operations		
Sale of Iron & Steel Goods		
Trading Goods	15.45	2,394.34
Manufactured Goods	31,174.95	23,418.61
Less: Inter Branch Elimination	(3,887.55)	(3,980.49)
	27,302.85	21,832.46
Other operating Income		
Scrap Sales	2.50	1.30
	27,305.35	21,833.76
20 Other Income		
Interest on fixed deposits	74.14	36.12
suspense income		
Miscellaneous Income	11.32	7.42
	85.47	43.54
21 Cost of Materials Consumed		
Details of Raw Material Consumed		
Inventory at the beginning of the year	1,068.58	118.19
Add: Purchases of Raw Material	24,807.88	16,625.62
Add: Purchases of Raw Material Import	481.74	-
Add: Direct Expenses for Raw Material	441.04	483.87
Less: Inter Branch Elimination	(3,887.55)	(2,170.10)
	22,911.69	15,057.58
Less: Inventory at the end of the year	438.94	1,068.58
Raw Material Consumed	22,472.75	13,989.00
22 Purchases of Stock-in-Trade		
Purchase of Trading Goods	-	2,344.23
Direct Expenses of Trading Goods	-	27.64
Less: Inter Branch Elimination		(1,810.39)
	-	561.48
23 Details of changes in Inventory		
Opening Inventories		
Traded Goods	215.17	243.85
Work in Progress	6,771.57	7,883.83
	6,986.73	8,127.68
Closing Inventories		
Traded Goods	199.71	215.17
Work in Progress	10,524.61	6,771.57
	10,724.33	6,986.73
	-3,737.59	1,140.95
24 Employee Benefit Expenses		
Salaries, Bonus and Wages	808.67	722.70
Director Remuneration	60.00	36.00
PF, ESIC Admin Charges	61.88	45.64
Gratuity	12.00	25.51
Staff Welfare Expenses	27.61	26.02
Incentives	45.82	28.13
	1,015.98	884.00



KARBONSTEEL ENGINEERING LIMITED

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B-8, Ratandeeep Cosmopolitan CHS Ltd, 140-141 SV Road, Nr. Shoppers Stop, Andheri (W), Mumbai - 400058

NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

25 Finance Costs**Bank Interest**

Interest on Term Loan	107.08	33.51
Interest on Unsecured Loan	352.67	291.95
Interest on Vehicle loan	28.38	4.47
Interest on CC/ OD	317.12	280.48
LC & Bill Discounting	657.18	484.69
Loan processing & Other charges	63.46	46.26
	1,525.89	1,141.36

26 Other Expenses

Freight & Transports Charges	10.07	7.09
Hiring Charges	167.14	78.52
Labour Charges	2,067.93	1,311.35
Packing & Forwarding Charges	0.63	1.77
Detention Charges	10.99	13.55
Bank Charges	45.31	2.34
Factory Rent	154.00	17.40
Testing Charges	5.07	16.52
Security Charges	45.85	27.19
Power & Fuel	581.85	463.76
Galvanizing Charges	-	17.53
Design & Drafting Charges	-	1.80
Factory Expenses	176.00	58.80
Advertisement	0.15	0.14
Audit Fees	6.00	6.00
Bad Debts	-	169.44
Brokerage	143.80	57.14
Business Promotion	6.54	12.38
Car Hiring Charges	21.41	10.64
Conveyance Expenses	7.10	4.00
Professional Tax	0.03	0.05
Computer Expenses	1.41	1.05
Donation	-	0.01
Document Charges	7.58	0.53
CSR Expenditure	15.04	7.33
Membership & Subscription Charges	0.01	-
Office Maintenance	2.38	1.89
Rates & Taxes	3.37	13.78
Rent Expenses	30.00	-
GST Expenses	14.17	0.73
Interest on delay payment to supplier	13.12	20.94
Interest on Income Tax	38.01	-
Hospitality Expenses	94.71	60.35
Interest on late payment of Statutory Dues	15.06	30.77
Insurance Charges	11.97	13.14
Miscellaneous Expenses	7.33	3.97
Legal & Professional Charges	108.28	164.79
Depository Charges	8.94	-
Office Expenses	6.45	8.01
Printing & Stationery	2.30	3.01
Rent on Machinery	2.71	3.24
Repair & Maintenance	37.01	34.21
Vehicle Expenses	0.62	3.26
ROC Filing Fees	-	0.48
Telephone Expenses	2.80	2.84
Foreign Exchange Loss	7.95	-
Travelling Expenses	12.18	5.16
	3,893.27	2,656.92

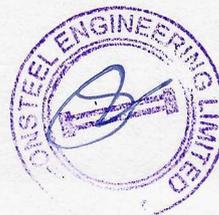
27 Earning Per Share (EPS)

Profit/(Loss) for the year

Weighted average number of Equity Shares outstanding during the year

Basic and Diluted Earnings per Share

	1,415.93	941.88
	1,10,83,059	50,01,308
	12.78	18.83



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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

(All Amount in Rupees in Lakhs)

28 Additional Regulatory Information**Financial Ratios:**

As on 31 March 2025

	Ratios	Numerator	Denominator	Current Period	Previous Period
(i)	Current ratio	Current assets	Current liabilities	1.23	1.26
(ii)	Debt Equity Ratio	Debt	Shareholder's Equity	1.30	1.35
(iii)	Debt Service coverage ratio	Net Operating Income	Debt Obligation	2.89	1.40
(iv)	Return on Equity Ratio	Profit for the year	Avg Shareholders Equity	27.07%	25.64%
(v)	Inventory Turnover Ratio	COGS	Average Inventory	187.21	189.59
(vi)	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	71.73	57.27
(vii)	Trade payables turnover ratio	Total Purchases	Average Trade Payables	128.77	157.44
(viii)	Net working capital turnover ratio	Sales	Avg Working Capital	43.03	50.35
(ix)	Net profit ratio	Net Profit	Sales	5.19%	4.31%
(x)	Return on Capital employed	EBIT	Capital Employed	24.63%	23.15%
(xi)	Return on investment	Net Profit	Investment	NA	NA

29 Details of Corporate Social Responsibility (CSR) expenditures:

March 31, 2025 March 31, 2024

Amount required to be spent by the company during the year, as per Section 135 of the Act	15.04	7.33
Amount of expenditure incurred on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	15.04	7.33
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	1. Child Education 2. Environment Protection	1. Child Education

Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard

-

30 Contingent liabilities and commitments

(i) Contingent liabilities

March 31, 2025 March 31, 2024

Claims against the Company not acknowledged as debt

Custom Duty saved on import of Capital Goods under EPCG Scheme	-	-
Bank Guarantees	135.54	219.44
Indirect Tax Liability	-	-
Amount of Capital Commitments	-	-
Corporate Guarantee Given by Company	-	-
	135.54	219.44

31 Segment Accounting

Business Segment

(a) The company operates in one single segment hence no requirement of segment reporting.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

Geographical Segment

As the company operates in India only, hence, geographical segment reporting is not applicable.

32 Disclosure of Transactions With Struck Off Companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

33 Notes:

33.1 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the same value if realised in the ordinary courses of business and the provision for all known liabilities is adequately made and not in excess of the amount reasonably consider necessary.

33.2 Balance appears under the head trade payables, receivables and loans and advances are subject to confirmation.

33.3 The figures and groupings of the previous year are recasted/re-stated/regrouped so as to make them comparable with the current year.

33.4 The paise has been rounded off to the nearest rupee amount.

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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

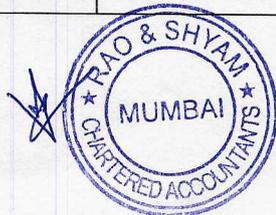
34 Names of the related party and nature of relationship

SUMMARY OF RELATED PARTY TRANSACTIONS AS-18

Names of related party	Nature of Relationship
Key Management Personnel & Directors	
Shrenik Kirit Shah	Managing Director
Mittal Shrenik Shah	Whole-time Director
Kirit Shah	Director till date 25/08/2022
Saurabh Bhansali	Director w.e.f 09/07/2024
Sunil kathariya	Independent Director w.e.f 21/05/2024
Mihen Jyotindra Halani	Independent Director w.e.f 09/07/2024
Jankhana VasANJI Gala	Company Secretary w.e.f 09/07/2024
Siddhi Parmar	Company Secretary w.e.f 01/07/2025
Samridhi Bhansali	Chief Financial Officer (July 9, 2024 till Jan 31, 2025)
Ganesh Shripati Bhandary	Chief Financial Officer w.e.f 01/02/2025

Relative of Key Management Personnel & Directors	
Kirit Shantilal Shah HUF	HUF
Smita Shah	Mother of Director
Bhavin Kirit Shah	Brother of Director

Particulars	For the Year ended March 31,	
	2025	2024
(i) Transactions with Director /Promoters in KMP		
Director Remuneration	Key Managerial Personnel	
	Mittal Shrenik Shah	24.00
	Kirit Shah	-
	Shrenik Kirit Shah	36.00
		24.00
Rent	Key Managerial Personnel	
	Shrenik Kirit Shah	63.00
	Mittal Shrenik Shah	15.00
		-
Interest Expenses	Key Managerial Personnel	
	Mittal Shrenik Shah	-
	Shrenik Kirit Shah	12.98
		20.14
		72.73
	Relative of Key managerial Personnel	
	Kirit Shantilal Shah HUF	-
	Smita Shah	5.17
	Bhavin Kirit Shah	26.70
		5.60
		7.05
		25.03
Legal & Professional Charges	Key Managerial Personnel	
	Bhavin Kirit Shah	1.20
		1.20
Salary	Key Managerial Personnel	
	Samridhi Bhansali	8.10
	Jankhana VasANJI Gala	2.00
		-
Loan Taken	Key Managerial Personnel	
	Mittal Shrenik Shah	155.78
	Kirit Shah	-
	Shrenik Kirit Shah	288.98
		341.97
Loan Repaid	Key Managerial Personnel	
	Mittal Shrenik Shah	266.77
	Kirit Shah	-
	Shrenik Kirit Shah	621.22
		758.02
	Relative of Key managerial Personnel	
	Kirit Shantilal Shah HUF	67.21
	Smita Shah	55.02
	Bhavin Kirit Shah	3.67
		0.56
		2.15
		8.62
(ii) Balances Outstanding		
Long Term Borrowings	Key Managerial Personnel & Directors	
	Mittal Shrenik Shah	41.47
	Shrenik Kirit Shah	52.42
		152.46
		371.69
	Relative of Key managerial Personnel	
	Kirit Shantilal Shah HUF	-
	Smita Shah	33.47
	Bhavin Kirit Shah	319.73
		67.21
		83.32
		296.70
Director Remuneration payable	Key Managerial Personnel & Directors	
	Mittal Shrenik Shah	1.67
	Shrenik Kirit Shah	2.26
		1.00
		11.40



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NOTES ON FINANCIAL STATEMENTS

For the year ended March 31, 2025

35 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY PARA Y OF PART - I TO SCHEDULE III TO THE COMPANIES ACT, 2013

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988.
- b) The Company has not traded or invested in Crypto currency or Virtual Currency during the Financial year.
- c) The Company has not advanced or loaned or invested 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:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- d) The Company has not 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:
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The Company is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g) The Company has not revalued its Property, Plant and Equipment and ROU Assets during the year, hence, regulatory information disclosure is not applicable for the Company.
- h) The Company has not revalued its Intangible Assets during the year, hence, regulatory information disclosure is not applicable for the Company.
- i) Additional Regulatory Information pursuant to amendment in Schedule III of the Companies Act, 2013 dated 24.03.2021 has been given to the extent applicable to the Company.
- j) The Company does not have any relationship/ transaction with Struck-off Companies and has not entered into any transactions with struck off companies in the current and previous reporting period.
- k) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.
- l) There is no immovable property whose title deeds are not held in the name of the company.
- m) There are no pending registration or modification or satisfaction of Charge at the end of reporting periods, which required to filed with Registrar of Companies.
- n) The Company has not entered into any Scheme of Arrangements and which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- o) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

SIGNATORIES TO SCHEDULES " 1 TO 35"

For Rao & Shyam
Chartered Accountants
Firm Registration No. 006186S

Vibhor Kala

CA Vibhor Kala
Partner
Membership No.-143553
Mumbai, 14th August, 2025
UDIN: 25143553BMOZMD1391



for and on behalf of the Board
KARBONSTEEL ENGINEERING LIMITED

Shrenik Shah
Mr. Shrenik Shah
Director
DIN-02070901

Mittal Shah
Mrs. Mittal Shah
Director
DIN-07057998

Siddhi
CS Siddhi Parmar
Company Secretary
M. No. A60563

G.S. Bhandary
Ganesh Shripati Bhandary
Chief Financial Officer