

**INDEPENDENT AUDITOR'S REPORT
To The Members of Arjas Modern Steel Private Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of Arjas Modern Steel Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its loss, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.



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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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



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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India and not complying with the requirement of audit trail as stated in (i)(vi) below (refer Note 42 to the financial statements).
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.



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- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements;
 - 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 its knowledge and belief, as disclosed in the note 41(iv) to the financial statements 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41(v) to the financial statements, 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



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- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

-in respect of one software, the audit trail feature was not enabled for certain critical tables/master for the period April 01, 2025 till January 21, 2026 and audit trail was not enabled at the database level to log any direct data changes. During the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of tables/records for which the audit trail feature was enabled and operating. Additionally, the audit trail that was enabled and operated has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 42 to the financial statements.

-in respect of software operated by a third party software service provider for maintaining payroll records, in the absence of an independent auditor's System and Organisation Controls report covering the audit trail requirement, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software and whether there were any instances of the audit trail feature been tampered with (Refer Note 42 of the financial statements). Additionally, in absence of the independent auditor's System and Organisation Controls report covering the audit trail requirement, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 26047840SCWGOZ8453

Place: Bengaluru
Date: May 06, 2026
Ref: MP/MS/HG/RD/2026

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Arjas Modern Steel Private Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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

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financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 26047840SCWGOZ8453

Place: Bengaluru
Date: May 06, 2026
Ref: MP/MS/HG/RD/2026

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
Section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of property, plant and equipment and intangible assets:
 - a)
 - A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
 - B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of verification of property, plant and equipment so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) Based on the examination of the registered sale deed/property tax receipts provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from custodians.
 - d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - a) The inventories (except for goods-in-transit) and stocks lying with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For goods in transit, the goods have been received/delivered subsequently and the evidence of such receipts/deliveries have been linked with inventory records. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

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- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (as revised) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, Excise duty, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2026.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.



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(ix)

- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year, except as under:

Name of lender	Nature of borrowing	Amount not paid on due date (in Rs. Lakh)	Due date	Remarks
Arjas Steel Private Limited	Term loan (principal amount)	3,431.16	March 31, 2026	The repayment of term loan has been extended till FY 2028-29.
	Interest on term loan	296.45	March 31, 2025	The payment of interest on term loan and working capital loan which fell due on March 31, 2025 was extended till March 31, 2026 and has further been extended along with the interest which fell due on March 31, 2026 till FY 2028-29.
		310.89	March 31, 2026	
	Interest on working capital loan	1389.14	March 31, 2025	
		1,813.20	March 31, 2026	

- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, the funds raised on short term basis aggregating Rs. 28,374.88 lakh have been used for long-term purposes.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x)
- a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.

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- (xi)
 - a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv)
 - a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to October 31, 2025 and the internal audit reports issued after the balance sheet date covering the period till January 31, 2026.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
 - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
 - b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs 2,692.59 lakh during the financial year covered by our audit and Rs 2,842.01 lakh in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

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- (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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. Also refer Note 2.6 to the financial statements.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 26047840SCWGOZ8453

Place: Bengaluru
Date: May 06, 2026
Ref: MP/MS/HG/RD/2026

Arjas Modern Steel Private Limited
Balance Sheet as at March 31, 2026

(all amounts are rupees in lakh, unless otherwise stated)

	Notes	As at	
		March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	17,019.15	17,193.59
(b) Right of use assets	5A	7.60	11.25
(c) Capital work-in-progress	4	984.11	766.01
(d) Goodwill	6A	447.15	447.15
(e) Other intangible assets	6B	16.29	10.17
(f) Other financial assets	8	32.22	584.49
(g) Income tax assets (net)	10	48.59	46.01
(h) Other non-current assets	9	786.35	810.04
Total non-current assets		19,341.46	19,868.71
Current assets			
(a) Inventories	12	9,446.32	8,244.48
(b) Financial assets			
(i) Trade receivables	7	12,930.11	10,820.22
(ii) Cash and cash equivalents	13	936.30	0.85
(iii) Other financial assets	8	18.95	29.66
(c) Other current assets	9	278.66	213.60
Total current assets		23,610.34	19,308.81
Total assets		42,951.80	39,177.52
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,500.00	1,500.00
(b) Other equity	15	(15,138.69)	(11,316.97)
Total equity		(13,638.69)	(9,816.97)
Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	30,546.42	25,913.44
(ii) Lease liabilities	5B	4.76	8.70
(iii) Other financial liabilities	18	66.28	114.58
(b) Provisions	19	495.73	344.38
Total non-current liabilities		31,113.19	26,381.10
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	11,493.60	13,471.79
(ii) Lease liabilities	5B	3.94	3.58
(iii) Trade payables			
Total outstanding dues of micro and small enterprises	17	1,631.58	915.07
Total outstanding dues of creditors other than micro and small enterpr	17	10,287.00	6,791.79
(iv) Other financial liabilities	18	1,252.68	730.03
(b) Other current liabilities	20	513.51	498.23
(c) Provisions	19	294.99	202.90
Total current liabilities		25,477.30	22,613.39
Total equity and liabilities		42,951.80	39,177.52

Material accounting policies

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The accompanying notes are an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

[Firm Registration Number: 008072S]

Monisha Parikh

Monisha Parikh

Partner

[Membership No: 047840]



Date: May 06, 2026

Place: Bengaluru

for and on behalf of Board of Directors of

Arjas Modern Steel Private Limited

CIN: U27205PB2020PTC052289

Uttam Kumar

Uttam Kumar Bhageria

Director

DIN: 10589928

Ramaswamy Visweswaran

Ramaswamy Visweswaran

Director

DIN: 07268366

Anand Pasupuleti

Anand Pasupuleti

Chief Executive Officer

Sham Krishna

Sham Krishna

Chief Financial Officer

Satyanarayan Mohanty

Satyanarayan Mohanty

Company Secretary

[Membership No: 22035]

Date: May 06, 2026

Place: Bengaluru

Arjas Modern Steel Private Limited
Statement of Profit and Loss for year ended March 31, 2026

(all amounts are rupees in lakh, unless otherwise stated)

	Notes	Year ended	
		March 31, 2026	March 31, 2025
Revenue from operations	21	66,611.98	59,876.33
Other income	22	185.29	267.37
Total income		66,797.27	60,143.70
Expenses			
Cost of materials consumed	23	44,797.86	39,664.28
Changes in inventories of finished goods, semi finished goods and work-in-progress	24	(841.64)	(307.26)
Employee benefits expense	25	3,239.97	3,004.86
Finance costs	26	3,744.94	3,940.15
Depreciation and amortisation expense	27	1,042.39	884.60
Other expenses	28	18,505.80	16,827.87
Total expenses		70,489.32	64,014.50
Loss before exceptional items and tax		(3,692.05)	(3,870.80)
Exceptional item - (loss)/gain	29	(146.39)	-
Loss before tax		(3,838.44)	(3,870.80)
Tax expense			
Current tax	11	-	-
Deferred tax	11	-	-
Total loss for the year		(3,838.44)	(3,870.80)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability	39	16.72	63.15
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income/(loss)		16.72	63.15
Total comprehensive loss for the year		(3,821.72)	(3,807.65)
Earnings per equity share of INR 10 each:	30		
Basic (in INR absolute numbers)		(25.59)	(25.81)
Diluted (in INR absolute numbers)		(25.59)	(25.81)
Material accounting policies	3		

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

[Firm Registration Number: 0080725]

for and on behalf of Board of Directors of

Arjas Modern Steel Private Limited

CIN: U27205PB2020PTC052289

Monisha Parikh

Partner

[Membership No: 047840]



Date: May 06, 2026

Place: Bengaluru

Uttam Kumar Bhageria

Director

DIN: 10589928

Anand Pasupuleti

Chief Executive Officer

Date: May 06, 2026

Place: Bengaluru

Ramaswamy Visweswaran

Director

DIN: 07268366

Sham Krishna

Chief Financial Officer

Satyanarayan Mohanty

Company Secretary

[Membership No: 22035]

(all amounts are rupees in lakh, unless otherwise stated)

	Notes	Year ended	
		March 31, 2026	March 31, 2025
Cash flow from operating activities			
Loss before tax		(3,838.44)	(3,870.80)
Adjustments for:			
Depreciation and amortisation expense	27	1,042.39	884.60
Finance costs	26	3,744.94	3,940.15
Interest income from bank deposits	22	(20.25)	(26.97)
Interest income from other deposits	22	(45.70)	(60.60)
Loss allowance on trade receivables	28	11.38	34.56
Liabilities no longer required written back	22	(78.38)	(15.04)
Property, plant and equipment written off	28	9.27	45.71
Provision for doubtful advances	28	-	18.99
Advance to vendors written off	28	3.15	-
Unrealised foreign currency (gain)/loss		0.26	(3.18)
Operating profit before working capital changes		828.62	947.42
Adjustments for (increase)/ decrease in operating assets:			
Inventories		(1,201.84)	429.05
Trade receivables		(2,121.27)	(667.53)
Other financial assets		(10.75)	(19.60)
Other assets		(19.40)	86.64
Adjustments for increase/ (decrease) in operating liabilities:			
Trade payables		4,381.72	1,793.44
Other financial liabilities		-	(491.68)
Other liabilities		(35.77)	93.67
Provisions		260.16	49.16
Cash generated from operations		2,081.47	2,220.57
Direct taxes (paid)/refunded (net)		(2.58)	5.55
Net cash flow from operating activities (A)		2,078.89	2,226.12
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)		(894.99)	(2,787.70)
Deposits with banks matured and received		560.00	-
Deposits with banks placed		(10.00)	(20.00)
Interest received		43.98	19.28
Net cash used in investing activities (B)		(301.01)	(2,788.42)
Cash flows from financing activities			
Proceeds from long term borrowings [refer (a) below]		4,350.00	3,607.59
Repayment of long term borrowings [refer (a) below]		(4,593.75)	(2,750.00)
Proceeds from short term borrowings [net] [refer (a) below]		2,525.30	2,450.00
Payment of principal portion of lease liabilities [refer (b) below]		(3.58)	(3.25)
Payment of interest portion of lease liabilities [refer (b) below]		(1.02)	(1.35)
Interest paid		(1,374.52)	(3,941.15)
Net cash from/(used in) financing activities (C)		902.43	(638.16)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		2,680.31	(1,200.46)
Cash and cash equivalents at the beginning of the year		(1,746.33)	(545.87)
Cash and cash equivalents at the end of the year		933.98	(1,746.33)
Reconciliation of cash and cash equivalents as per Balance Sheet			
Cash and cash equivalents	13	936.30	0.85
Loans repayable on demand from banks (overdraft facilities)	16	(2.32)	(1,747.18)
Cash and cash equivalents as per Statement of Cash Flows		933.98	(1,746.33)



Arjas Modern Steel Private Limited
Statement of Cash Flows for the year ended March 31, 2026 [Contd.]

Net debt reconciliation

(all amounts are rupees in lakh, unless otherwise stated)

Particulars	As at	
	March 31, 2026	March 31, 2025
Non current borrowings	30,546.42	25,913.44
Current maturities of non current borrowings	-	2,761.35
Current borrowings	11,493.60	10,710.44
Lease liabilities	8.70	12.28
Net debt	42,048.72	39,397.51

(a) Changes in liabilities arising from financing activities:

Particulars	Non current borrowings	Current borrowings
	10,738.26	22,652.59
Balance as at March 31, 2024		
Cash inflows from short term borrowings [net]	-	2,450.00
Cash inflows from overdraft facilities [net]	-	935.09
Cash inflows from long term borrowings	3,607.59	-
Cash outflows of long term borrowings	(2,750.00)	-
Non cash changes		
- Reclass from current to Non-current	15,348.00	(15,348.00)
- Interest accrued	1,709.04	20.76
- Unwinding of interest expense on financial liabilities measured at amortised cost (Effective interest rate method)	21.90	-
Balance as at March 31, 2025	28,674.79	10,710.44
Cash inflows from short term borrowings [net]	-	2,525.30
Cash outflows from overdraft facilities [net]	-	(1,737.36)
Cash inflows from long term borrowings	4,350.00	-
Cash outflows of long term borrowings	(4,593.75)	-
Cash outflows from payment of opening interest accrued	(23.44)	(20.76)
Non cash changes		
- Reclass from current to Non-current	-	15.98
- Interest accrued	2,124.09	-
- Unwinding of interest expense on financial liabilities measured at amortised cost (Effective interest rate method)	14.73	-
Balance as at March 31, 2026	30,546.42	11,493.60

The current borrowings includes overdraft facilities disclosed as cash and cash equivalents in the cash flow statement, but disclosed as borrowings in the Balance Sheet as required under Guidance Note On Division II - Ind AS Schedule III to the Companies Act, 2013.

(b) Lease liabilities

	March 31, 2026	March 31, 2025
Opening balance	12.28	15.53
Non cash changes		
Additions during the year	-	-
Interest on lease liabilities	1.02	1.35
Cash outflow		
Payment of principal portion of lease liabilities	(3.58)	(3.25)
Payment of interest portion of lease liabilities	(1.02)	(1.35)
Closing balance (refer note 5B)	8.70	12.28

(c) The above Statement of Cash Flows has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells
 Chartered Accountants
 [Firm Registration Number: 008072S]

Handwritten signature of Monisha Parikh

Monisha Parikh
 Partner
 [Membership No: 047840]



Date: May 06, 2026
 Place: Bengaluru

for and on behalf of Board of Directors of
Arjas Modern Steel Private Limited
 CIN: U27205PB2020PTC052289

Handwritten signature of Uttam Kumar Bhageria

Uttam Kumar Bhageria
 Director
 DIN: 10589928

Handwritten signature of Ramaswamy Visweswaran

Ramaswamy Visweswaran
 Director
 DIN: 00268366

Handwritten signature of Anand Pasupuleti

Anand Pasupuleti
 Chief Executive Officer

Handwritten signature of Sham Krishna

Sham Krishna
 Chief Financial Officer

Handwritten signature of Satyanarayan Mohanty

Satyanarayan Mohanty
 Company Secretary
 [Membership No: 22035]

Date: May 06, 2026
 Place: Bengaluru

Arjas Modern Steel Private Limited
Statement of Changes in Equity for the year ended March 31, 2026

(all amounts are rupees in lakh, unless otherwise stated)

A. Equity share capital	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance at beginning of the year	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Changes in equity share capital during the year	-	-	-	-
Balance at end of the year	1,50,00,000	1,500.00	1,50,00,000	1,500.00

B. Other equity	Retained earnings	Total
Balance at April 01, 2024	(7,509.32)	(7,509.32)
Loss for the year	(3,870.80)	(3,870.80)
Items of other comprehensive income		
- Remeasurement of the defined benefit liability (net of income tax)	63.15	63.15
Balance at March 31, 2025	(11,316.97)	(11,316.97)
Loss for the year	(3,838.44)	(3,838.44)
Items of other comprehensive income		
- Remeasurement of the defined benefit liability (net of income tax)	16.72	16.72
Balance at March 31, 2026	(15,138.69)	(15,138.69)

Notes:

1. Remeasurement of defined benefit liability is recognised as a part of retained earnings with separate disclosure.
2. Refer note 15 for nature and purpose of reserves.

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants
[Firm Registration Number: 0080725]

for and on behalf of Board of Directors of
Arjas Modern Steel Private Limited
CIN: U27205PB2020PTC052289

Monisha Parikh

Monisha Parikh
Partner
[Membership No: 047840]



Date: May 06, 2026
Place: Bengaluru

Uttam Kumar Bhageria

Uttam Kumar Bhageria
Director
DIN: 10589928

Anand Pasupuleti

Anand Pasupuleti
Chief Executive Officer

Date: May 06, 2026
Place: Bengaluru

Sham Krishna

Sham Krishna
Chief Financial Officer

Ramaswamy Visweswaran

Ramaswamy Visweswaran
Director
DIN: 0268366

Satyanarayan Mohanty

Satyanarayan Mohanty
Company Secretary

[Membership No: 22035]

1 Company information

Arjas Modern Steel Private Limited was incorporated on November 12, 2020. The Company operates in the business of manufacturing of steel and steel related products which has an installed capacity of 150,000 tons of steel per year, focused on automotive and related industries. The Company is a private limited company domiciled in India. The address of its principal place of business and registered office is at G T Road, Mandi, Gobindgarh, Fatehgarh Sahib, Punjab, India – 147301.

2 Basis of accounting and preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013 (referred to as "Act") and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

- (i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy on financial instruments);
- (ii) Defined benefits and other long-term employee benefits;

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently in the financial statements.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "Nil" in the relevant notes to these financial statements.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) unless otherwise stated, the national currency of India, which is the functional currency of the Company. All amounts have been rounded off to the nearest lakh with two decimals thereof.

2.4 Classification of assets and liabilities as current and non-current

Assets

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

- (i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle,
- (ii) It is held primarily for the purpose of being traded,
- (iii) It is expected to be realised within 12 months after the reporting date, or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liability

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

- (i) It is expected to be settled in the Company's normal operating cycle,
- (ii) It is held primarily for the purpose of being traded,
- (iii) It is due to be settled within 12 months after the reporting date, or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting date.

Operating cycle

Based on the nature of activities of the Company and normal time between acquisition of assets and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

2.5 Significant areas of estimation uncertainty, critical judgement, and assumptions in applying accounting policies

While preparing financial statements in conformity with Ind AS, the Company makes certain estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical judgement in applying accounting policies as well as estimates and assumptions that have significant effect to the carrying amount of assets and liabilities are included in the accounting policies:

- (i) Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources [refer note 3.9];
- (ii) Valuation of inventories and inventory obsolescence [refer note 3.5];
- (iii) Depreciation and amortisation method and useful life of items of property, plant and equipment and intangible assets [refer note 3.1 and 3.3];
- (iv) Impairment of property, plant and equipment, goodwill and intangible assets [refer note 3.4];
- (v) Recognition of deferred tax assets [refer note 3.12].



2.6 Going Concern

The Company has incurred losses of INR 3,838.44 lakh [March 31, 2025: INR 3,870.80 lakh] during financial year ended March 31, 2026 and as of that date, the Company's current liabilities exceeded its current assets by INR 1,866.96 lakh [March 31, 2025: INR 3,304.58 lakh]. The Company also has a negative net worth of INR 13,638.69 lakh [March 31, 2025: INR 9,816.97 lakh] as at March 31, 2026. These events or conditions along with other conditions such as the future projections of net cash outflows casts significant doubts on the Company's ability to continue as a going concern.

The Company's management after considering above indicators, future business plans and future cash flow projections based on which it has carried out an assessment of its going concern status and believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment.

To arrive at such judgement, the management have also considered the continued financial support from its Immediate Holding Company (Arjas Steel Private Limited), and that the Immediate Holding Company has indicated its intention through an unconditional support letter to provide operational and financial support to the Company as necessary to enable it to continue its operations and meet its liabilities as and when they fall due in the normal course of its business for the foreseeable future. In addition to this, the management expects to fund its operating and capital expenditure based on its own business operations and financing arrangements for the foreseeable future.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

2.7 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any material impact in its financial statements.

In August 2025, MCA notified the following amendments to:

(i) Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

(ii) Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any material impact in its financial statements.

(iii) Ind AS 12, International Tax Reform - Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any material impact in its financial statements.

3 Material accounting policies

3.1 Property, plant and equipment

Property, plant and equipment [PPE] are stated at historical cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost including irrecoverable duties and taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, employee costs and finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by management are recognised in the Statement of Profit and Loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Company.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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 Statement of Profit and Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation is calculated on cost of item of property, plant & equipment less their estimated residual values using straight line method over estimated useful life (as determined below) and recognised in the Statement of Profit and Loss.

Assets	Useful life of assets
Buildings – other than factory buildings	60 years
Factory buildings	30 years
Other buildings (including roads and temporary structures)	3-10 years
Plant and machinery (including railway sidings and electrical installations)	8-40 years
Computers	3-6 years
Furniture	10 years
Office equipment	5 years
Vehicles	8 years

Depreciation method, useful life and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on pro-rata basis i.e., from (up to) the date on which asset is ready to use (disposed of).

In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Freehold land is not depreciated.

Capital work-in-progress includes direct cost of property, plant and equipment under installation / under development as at the Balance Sheet date, related incidental expenses and attributable interest.



3.2 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset,
- (ii) the Company has right to obtain substantially all of the economic benefits from use of the asset through the period of the lease and,
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low values. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including irrecoverable duties and taxes and any costs directly attributable to making the asset ready for their intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with expenditure will flow to the Company.

Intangible assets with finite lives are amortised on straight line basis over their 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 with a finite useful life are reviewed at each year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight-line method of amortisation.

Assets	Useful life of asset
Software	5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in Statement of Profit and Loss when the asset is derecognised.

3.4 Impairment of non-financial assets

Carrying amount of tangible and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The impairment loss is recognised in the Statement of Profit and Loss. When there is an indication that an impairment loss recognized for an asset (other than revalued asset) in earlier accounting periods no longer exists or may have decreased, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior years.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are independent of the cash inflows from other assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.5 Inventories

Raw materials including in-transit, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, and stores and spares are determined on a weighted average basis.

Work-in-progress, semi-finished goods and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, freight inwards, other direct cost, a proportion of manufacturing overheads based on normal operating capacity, net of refundable duties, levies and taxes wherever applicable. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average. Net realisable value of work in progress is determined with reference selling prices of related finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which includes the consideration of product lines and market conditions.

3.6 Statement of Cash Flows and Cash and cash equivalents

Cash flows are reported using the indirect method, whereby net profits/(loss) before tax is adjusted for effects of transactions of a non-cash / non-operating nature. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

3.7 Financial instruments

Initial recognition and measurement

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of Profit or Loss.

Assessment of business model

The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.



3.7 Financial Instruments [Contd.]

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

- (i) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- (ii) the risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way in which those risks are managed; and
- (iii) how managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Solely payments of principal and interest ['SPPI'] test

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meets the SPPI test on the principal outstanding. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the definition. In making this assessment, the Company considers:

- (i) Contingent events that would change the amount or timing of cash flows;
- (ii) Terms that may adjust the contractual coupon rate, including variable interest rate features;
- (iii) Prepayments and extension feature and;
- (iv) Terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial assets at amortised cost

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the company may make an irrevocable election to present subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis.

If the company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to Statement of Profit and Loss, even on sale of the instrument. However the Company may transfer cumulative gain or loss within the equity.

Financial assets at fair value through profit or loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. The financial assets will be fair valued and fair value changes will go to profit and loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting/ mismatch that otherwise would arise.

Financial assets: Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's Balance Sheet) when:

- (i) the rights to receive cash flows from the asset have expired, or
- (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss on financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased, and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. For financial assets other than trade receivables, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

Financial assets that are debt instruments are measured at amortised cost, e.g., loans, deposits and bank balances. The gross carrying amount of financial assets are written off when the Company has no reasonable expectations of recovering the entire financial asset or a portion thereof. The financial assets written off are still subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

Trade receivables

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.



3.7 **Financial Instruments [Contd.]**

Financial liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, lease liabilities, loans and borrowings, including bank overdrafts and derivative financial instruments.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest bearing loans and borrowings.

Financial liabilities: Derecognition

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially modified, such an exchange or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of Profit and Loss.

Fair value measurement

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

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Foreign exchange gain and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

3.8 **Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

The Company shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

3.9 **Provisions, contingent liabilities, contingent assets**

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period if the effect of time value of money is material. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liabilities are disclosed in the case of:

- (i) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (ii) a present obligation arising from the past events when no reliable estimate is possible;
- (iii) a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company.



3.9 Provisions, contingent liabilities, contingent assets [Contd.]

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.10 Employee benefits

(i) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and obligation can be estimated reliably.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

a) defined benefit plans such as gratuity; and

b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated by a qualified independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in other comprehensive income. They are disclosed in the statement of changes in equity and in the Balance Sheet.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

The Company makes specified monthly contribution towards provident and pension fund contributions to publicly administered provident fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense in the Statement of Profit and Loss in the period in which service is provided by employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long-term employee benefit obligations [compensated absences]

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet of the Company as Company does not have an unconditional right to defer its settlement for at least 12 months after reporting date.

3.11 Revenue recognition

Revenue from sale of products

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from sale of goods is measured at fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverables and/or linked arrangements) net of returns, Goods and Services tax, applicable discounts, refunds, rebates, allowances and charge backs or other similar items in a contract when they are highly probable to be provided.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sales, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on individual terms of the sales agreements.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their selling prices. Revenue from sale of by products are included in revenue.

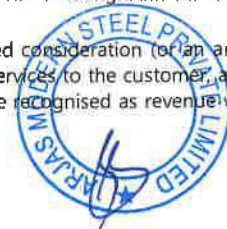
Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.



3.11 Revenue recognition [Contd.]

Interest income

Interest income from debt instruments and bank deposits is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Income tax

Income tax consists of current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current tax is recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

The current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amount and it is intended to realise the asset and liability on a net basis.

Deferred tax

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

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 there is convincing evidence that sufficient future 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 utilised.

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 reassessed 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 the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The temporary differences in relation to right of use assets and lease liability for specific leases are regarded as a net package for the purpose of recognising deferred tax.

Deferred tax assets and deferred tax liabilities are offset if:

- (i) a legally enforceable right exists to set off current tax assets against current income tax liabilities and;
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.13 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit and loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.14 Foreign currency translation

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

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.15 Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on assets associated.



Arjas Modern Steel Private Limited
Notes to financial statements for the year ended March 31, 2026 [Contd.]

4 Property, plant and equipment (all amounts are rupees in lakh, unless otherwise stated)

Particulars	Land - freehold	Buildings	Plant and machinery	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Cost								
Balance as at April 1, 2025	8,075.61	3,975.44	7,556.76	94.66	72.05	52.96	35.86	19,863.34
Additions	-	43.18	802.90	15.97	0.06	3.08	-	865.19
Disposals / write-offs	-	-	13.76	2.16	-	0.10	-	16.02
Balance as at March 31, 2026	8,075.61	4,018.62	8,345.90	108.47	72.11	55.94	35.86	20,712.51
Accumulated depreciation as at April 1, 2025	-	1,131.92	1,446.28	42.85	23.09	8.66	16.95	2,669.75
Charge for the year [refer note 27]	-	218.40	774.79	19.39	10.91	5.05	1.82	1,030.36
Disposals / write-offs	-	-	5.23	1.47	-	0.05	-	6.75
Accumulated depreciation as at March 31, 2026	-	1,350.32	2,215.84	60.77	34.00	13.66	18.77	3,693.36
Net carrying value as at April 1, 2025	8,075.61	2,843.52	6,110.48	51.81	48.96	44.30	18.91	17,193.59
Net carrying value as at March 31, 2026	8,075.61	2,668.30	6,130.06	47.70	38.11	42.28	17.09	17,019.15
Net carrying value includes temporarily idle property, plant and equipment of INR 109.97 lakh [March 31, 2025: INR 178.11 lakh]								

Particulars	As at		Capitalisation	As at
	April 1, 2025	Additions		
Capital work-in-progress [CWIP]	766.01	1,097.79	879.69	984.11

Ageing of Capital work-in-progress

Particulars	As at March 31, 2026			Total
	Less than 1 year	1-2 years	2-3 years > 3 years	
Projects in progress	764.09	144.69	75.33	984.11

Expected completion schedule of Capital work-in-progress where cost or time has exceeded original plan

Particulars	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years > 3 years	
where time exceeded original plan	-	-	-	-
In progress	-	-	-	-
Other projects*	596.08	-	-	596.08
Total	596.08	-	-	596.08

*Individual projects less than INR 1,000 lakh have been clubbed together in other projects.



Anjas Modern Steel Private Limited
Notes to financial statements for the year ended March 31, 2026 [Contd.]

(all amounts are rupees in lakh, unless otherwise stated)

4 Property, plant and equipment [Contd.]								
Particulars	Land - freehold	Buildings	Plant and machinery	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Cost								
Balance as at April 1, 2024	8,075.61	3,338.21	2,904.10	74.68	69.63	25.42	35.86	14,523.51
Additions	-	642.81	4,717.32	19.98	2.42	27.54	-	5,410.07
Disposals / write-offs	-	5.58	64.66	-	-	-	-	70.24
Balance as at March 31, 2025	8,075.61	3,975.44	7,556.76	94.66	72.05	52.96	35.86	19,863.34
Accumulated depreciation as at April 1, 2024	-	928.96	830.79	26.18	11.72	4.36	15.06	1,817.07
Charge for the year [refer note 27]	-	203.55	639.44	16.67	11.37	4.30	1.89	877.22
Disposals / write-offs	-	0.59	23.95	-	-	-	-	24.54
Accumulated depreciation as at March 31, 2025	-	1,131.92	1,446.28	42.85	23.09	8.66	16.95	2,669.75
Net carrying value as at April 1, 2024	8,075.61	2,409.25	2,073.31	48.50	57.91	21.06	20.80	12,706.44
Net carrying value as at March 31, 2025	8,075.61	2,843.52	6,110.48	51.81	48.96	44.30	18.91	17,193.59
Net carrying value includes temporarily idle property, plant and equipment of INR 178.11 lakh [March 31, 2024: INR 266.92 lakh]								

Particulars	As at		Capitalisation/		As at	
	April 1, 2024	Additions	Deduction	March 31, 2025	March 31, 2025	
Capital work-in-progress [CWIP]	3,698.17	2,502.65	5,434.81	766.01		

Ageing of Capital work-in-progress

Particulars	As at March 31, 2025			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	610.44	155.57	-	766.01

Expected completion schedule of Capital work-in-progress where cost or time has exceeded original plan

Particulars	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
where time exceeded original plan	-	-	-	-
In progress	-	-	-	-
Other projects*	609.11	-	-	609.11
Total	609.11	-	-	609.11

*Individual projects less than INR 1,000 lakh have been clubbed together in other projects.

(i) There are no title deeds of immovable properties not held in the name of the Company.

(ii) Refer note 36 for the contractual commitments relating to property, plant and equipment.

(iii) Property, plant and equipment have been pledged as security against bank borrowings, the terms relating to which have been described in note 16.

(iv) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.



Arjas Modern Steel Private Limited
Notes to financial statements for the year ended March 31, 2026 [Contd.]

(all amounts are rupees in lakh, unless otherwise stated)

5 Leases

A Right of use assets

Carrying value of right of use assets as at March 31, 2026

Particulars	Vehicles	Total
Balance as at April 1, 2025	18.25	18.25
Additions	-	-
Balance as at March 31, 2026	18.25	18.25
Accumulated depreciation as at April 1, 2025	7.00	7.00
Charge for the year [refer note 27]	3.65	3.65
Accumulated depreciation as at March 31, 2026	10.65	10.65
Net carrying value as at April 1, 2025	11.25	11.25
Net carrying value as at March 31, 2026	7.60	7.60

Carrying value of right of use assets as at March 31, 2025

Particulars	Vehicles	Total
Balance as at April 1, 2024	18.25	18.25
Additions	-	-
Balance as at March 31, 2025	18.25	18.25
Accumulated depreciation as at April 1, 2024	3.35	3.35
Charge for the year [refer note 27]	3.65	3.65
Accumulated depreciation as at March 31, 2025	7.00	7.00
Net carrying value as at April 1, 2024	14.90	14.90
Net carrying value as at March 31, 2025	11.25	11.25

B Lease liabilities

Movement of lease liabilities

Particulars	March 31, 2026	March 31, 2025
Lease liabilities at: beginning of the year	12.28	15.53
Additions during the year	-	-
Interest on lease liabilities	1.02	1.35
Lease payments including interest	4.60	4.60
Lease liabilities at: end of the year	8.70	12.28

Maturity analysis of lease liabilities

Maturity analysis - contractual undiscounted cash flows	March 31, 2026	March 31, 2025
Less than 1 year	4.60	4.60
1-5 years	4.98	9.58
Total undiscounted lease liabilities	9.58	14.18

Lease liabilities included in the Balance Sheet

Current	3.94	3.58
Non current	4.76	8.70
Total	8.70	12.28



Arjas Modern Steel Private Limited
Notes to financial statements for the year ended March 31, 2026 [Contd.]

5 Leases [Contd.]
(all amounts are rupees in lakh, unless otherwise stated)

Amounts recognised in the Statement of Profit and Loss		
Particulars	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets [refer note 27]	3.65	3.65
Interest expense on lease liabilities [refer note 26]	1.02	1.35
Expense relating to short-term leases/low value asset [refer note 28]	108.13	91.38

The Company has taken vehicles on lease for business purposes.

Amounts recognised in the Statement of Cash Flows		
Particulars	March 31, 2026	March 31, 2025
Total cash outflow for leases	4.60	4.60

The weighted average incremental borrowing rate of 9.60% per annum [March 31, 2025: 9.60% per annum] has been applied to lease liabilities recognised in the Balance Sheet.

6 Intangible assets

A Goodwill

Particulars	March 31, 2026	March 31, 2025
Balance at beginning of the year	447.15	447.15
Balance at end of the year	447.15	447.15

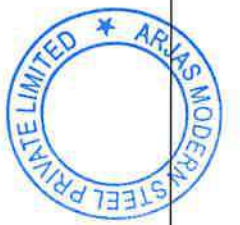
The above 'Goodwill' is an asset representing the future economic benefits arising from other assets acquired in a business combination that is not individually identified and hence separately recognised. It represents an intangible asset acquired that meets neither the separability criterion nor the contractual-legal criterion at the date of acquisition. The Goodwill recognized is not expected to be deductible for tax purposes.

The recoverable amount has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. As at March 31, 2026, the estimated cash flows for a period of five years were developed using internal forecasts, and a pre-tax discount rate of 15.10% [March 31, 2025: 15.20%]. The cash flows beyond five years have been extrapolated assuming 4% long-term growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

B Other intangible assets

Particulars	Software	Total
Balance as at April 1, 2025	15.06	15.06
Additions	14.50	14.50
Balance as at March 31, 2026	29.56	29.56
Accumulated amortisation as at April 1, 2025	4.89	4.89
Charge for the year [refer note 27]	8.38	8.38
Accumulated amortisation as at March 31, 2026	13.27	13.27
Net carrying value as at April 1, 2025	10.17	10.17
Net carrying value as at March 31, 2026	16.29	16.29

Particulars	Software	Total
Balance as at April 1, 2024	3.59	3.59
Additions	11.47	11.47
Balance as at March 31, 2025	15.06	15.06
Accumulated amortisation as at April 1, 2024	1.16	1.16
Charge for the year [refer note 27]	3.73	3.73
Accumulated amortisation as at March 31, 2025	4.89	4.89
Net carrying value as at April 1, 2024	2.43	2.43
Net carrying value as at March 31, 2025	10.17	10.17



(Handwritten signature)

(all amounts are rupees in lakh, unless otherwise stated)

7 Trade receivables

[carried at amortised cost unless otherwise stated]

	As at	
	March 31, 2026	March 31, 2025
Trade receivables - Unsecured, considered good	12,964.26	10,854.80
Allowance for expected credit loss	(34.15)	(34.58)
Total	12,930.11	10,820.22

Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in note 16.

Movement in the expected credit loss allowance

	As at	
	March 31, 2026	March 31, 2025
Balance at beginning of the year	(34.58)	(18.18)
Loss (allowance)/reversal on trade receivables	(11.38)	(34.56)
Utilisation of allowance	11.81	18.16
Balance at end of the year	(34.15)	(34.58)

The Company's exposure to credit risk and currency risk and loss allowance related to trade receivable are disclosed in note 32.

There are no disputed trade receivables as on March 31, 2026 and March 31, 2025.

Ageing as at March 31, 2026

Particulars	Not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	7,762.23	5,182.38	10.97	8.68	-	-	12,964.26
– credit impaired	-	-	-	-	-	-	-
Total	7,762.23	5,182.38	10.97	8.68	-	-	12,964.26
Less: Allowance for expected credit loss							(34.15)
Total							12,930.11

Ageing as at March 31, 2025

Particulars	Not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	6,498.42	4,331.36	24.93	0.09	-	-	10,854.80
– credit impaired	-	-	-	-	-	-	-
Total	6,498.42	4,331.36	24.93	0.09	-	-	10,854.80
Less: Allowance for expected credit loss							(34.58)
Total							10,820.22

8 Other financial assets

[carried at amortised cost unless otherwise stated]

	Non current		Current	
	As at			
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unsecured, considered good unless otherwise stated				
Bank deposits with more than 12 months maturity [refer note (i) below]	20.82	573.09	-	21.46
Security deposits	11.40	11.40	18.95	8.20
Total	32.22	584.49	18.95	29.66

(i) Bank deposits including accrued interest have been pledged as security against bank borrowings, the terms relating to which have been described in note 16 amounting to INR Nil [March 31, 2025: INR 553.02 lakh] and deposits amounting to INR 20.82 lakh [March 31, 2025: INR 41.53 lakh] are in lien against bank guarantees.

9 Other current and non current assets

	Non current		Current	
	As at			
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unsecured, considered good				
Capital advances	8.50	29.08	-	-
Electricity deposit	756.39	755.55	92.46	46.77
Advances to parties other than related parties				
Advances to suppliers	-	-	88.00	45.97
Advances to employees	-	-	0.20	16.20
Balances with government authorities	16.47	16.47	25.59	10.35
Prepaid expenses	4.99	8.94	72.41	94.31
Total	786.35	810.04	278.66	213.60
Unsecured, considered doubtful -				
Advances	12.30	12.30	6.70	6.69
Less: Provision for doubtful advances	(12.30)	(12.30)	(6.70)	(6.69)
Total	786.35	810.04	278.66	213.60

Current assets have been pledged as security against bank borrowings, the terms relating to which have been described in note 16.



(all amounts are rupees in lakh, unless otherwise stated)

10 Income tax assets (net)	As at	
	March 31, 2026	March 31, 2025
	Tax deducted at source receivable	48.59
	48.59	46.01

11 Deferred tax assets (net)	As at	
	March 31, 2026	March 31, 2025
	Deferred tax asset	
Unabsorbed depreciation / business loss as per income tax (refer (i) below)	-	-
Provisions and others	456.63	369.19
ECL on trade receivables and other financial assets	18.57	12.08
	475.20	381.27
Deferred tax liability		
Property, plant & equipment (including intangible assets) [difference between carrying value as per books of account and written down value as per income tax]	466.70	350.13
Right of use assets	2.66	3.93
Borrowings (application of effective interest rate method)	-	5.15
Remeasurement of employee benefit liability [items of OCI]	5.84	22.06
	475.20	381.27
Net deferred tax assets/ (liabilities)	-	-

(i) This is restricted to the extent of deferred tax liabilities because of lack of convincing evidence that sufficient taxable profit will be available against which such unabsorbed depreciation or unused tax losses can be utilised by the Company.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

Deferred tax balance in relation to	As at April 01, 2025	Movement during the year	As at March 31, 2026
Property, plant and equipment (including intangible assets)	(350.13)	(116.57)	(466.70)
Borrowings (application of effective interest rate method)	(5.15)	5.15	-
Right of use assets	(3.93)	1.27	(2.66)
Remeasurement of employee benefit liability	(22.06)	16.22	(5.84)
Carried forward business loss/unabsorbed depreciation	-	-	-
Provisions and others	369.19	87.44	456.63
ECL on trade receivables and other financial assets	12.08	6.49	18.57
Total	-	-	-

Deferred tax balance in relation to	As at April 01, 2024	Movement during the year	As at March 31, 2025
Property, plant and equipment (including intangible assets)	-	(350.13)	(350.13)
Borrowings (application of effective interest rate method)	(12.81)	7.66	(5.15)
Right of use assets	(5.20)	1.27	(3.93)
Remeasurement of employee benefit liability	-	(22.06)	(22.06)
Provisions and others	11.66	357.53	369.19
ECL on trade receivables and other financial assets	6.35	5.73	12.08
Total	-	-	-

Tax losses for which no deferred tax asset was recognised expire as follows:

	March 31, 2026	Expiry date (Financial year)	March 31, 2025	Expiry date (Financial year)
I. Business losses which expires	23.76	2028-29	23.76	2028-29
	153.57	2029-30	153.57	2029-30
	3,480.25	2030-31	3,480.25	2030-31
	158.78	2031-32	158.78	2031-32
	2,210.00	2032-33	3,002.18	2032-33
	2,333.80	2033-34	-	-
II. Unabsorbed depreciation [this will not expire under Indian tax laws]	5,605.42		4,306.98	
	13,965.58		11,125.52	

Income tax in Statement of Profit and Loss and other comprehensive income is nil.



11 Deferred tax assets (net) [Contd.]

Reconciliation of effective tax rate is as below

	March 31, 2026	March 31, 2025
Profit before tax	(3,838.44)	(3,870.80)
Enacted tax rate in India	34.94%	34.94%
Expected income tax expense at statutory tax rate	(1,341.30)	(1,352.61)
Deductible expenses where deferred tax asset is not recognised	1,310.93	1,325.30
Other non-deductible expenses	30.37	27.31
Current tax expense for the year	-	-

12 Inventories

	As at	
	March 31, 2026	March 31, 2025
Raw materials	1,480.57	1,111.45
Work-in-progress	1,390.50	1,013.59
Finished goods (including goods-in-transit amounting to INR 694.81 lakh [March 31, 2025: INR 570.00 lakh])	4,290.30	4,186.24
Semi finished goods	1,181.81	821.14
Stores and spares	1,103.14	1,112.06
Total inventories (valued at lower of cost and net realisable value)	9,446.32	8,244.48

(i) Inventories have been pledged as security against bank borrowings, the terms relating to which have been described in note 16.

(ii) Value of inventories above is stated after provisions INR 332.89 lakh [March 31, 2025: INR 276.35 lakh] for slow moving and obsolete items. The movement of provision are included in cost of materials consumed and changes in inventories of finished goods, work-in-progress and semi finished goods respectively.

13 Cash and cash equivalents

	As at	
	March 31, 2026	March 31, 2025
Cash on hand	0.81	0.85
Balances with banks in current accounts	935.49	-
	936.30	0.85

There are no restriction with regard to cash and cash equivalents as at the end of reporting period.

14 Equity share capital

	As at	
	March 31, 2026	March 31, 2025
Authorised share capital : 2,00,00,000 [March 31, 2025: 2,00,00,000] equity shares of INR 10/- each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued and subscribed and fully paid up capital comprises : 1,50,00,000 [March 31, 2025: 1,50,00,000] equity shares of INR 10/- each, fully paid	1,500.00	1,500.00
Total issued, subscribed and fully paid-up share capital	1,500.00	1,500.00

a. Reconciliation of number of shares outstanding:

Equity shares	As at			
	March 31, 2026		March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance at beginning of the year	15,000,000	1,500.00	15,000,000	1,500.00
Add: Issued during the year	-	-	-	-
Balance as at end of the year	15,000,000	1,500.00	15,000,000	1,500.00

b. Rights, preference and restrictions attached to shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividends, when declared, are paid in Indian Rupees. The distribution of dividend (if any) is in the proportion to the number of equity shares held by the shareholders.

In the event of liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

c. Details of share holders holding more than 5% shares in the Company

Name of the shareholder	As at			
	March 31, 2026		March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of INR 10 each fully paid Arjas Steel Private Limited [the Immediate Holding Company]	14,999,999	100.00%	14,999,999	100.00%

d. No shares have been allotted without payment being received in cash or by way of bonus shares, during the period of five years immediately preceding the reporting date. Further there are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment. The Company has not made any buy back of equity shares in the current year or during the preceding five years.

e. Details of equity shares held by promoter

Promoter name	No of shares	March 31, 2026			No of shares	March 31, 2025		
		% of total shares	% change during the year	% of total shares		% change during the year		
Arjas Steel Private Limited [the Immediate Holding Company]	14,999,999	100.00%	-	14,999,999	100.00%	-		



(all amounts are rupees in lakh, unless otherwise stated)

15 Other equity

	As at	
	March 31, 2026	March 31, 2025
Retained earnings	(15,138.69)	(11,316.97)
	(15,138.69)	(11,316.97)
Retained earnings		
Balance at beginning of the year	(11,316.97)	(7,509.32)
Loss for the year	(3,838.44)	(3,870.80)
Remeasurement of the defined benefit liability	16.72	63.15
Balance at end of the year	(15,138.69)	(11,316.97)
Total other equity	(15,138.69)	(11,316.97)

Nature of reserves

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date (including amounts recognised in OCI), less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings are free reserve available to the Company.

16 Borrowings

	Non current		Current	
	As at		As at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Secured at amortised cost:				
Loans from other than related parties:				
Term loans [refer note (a) below]	-	1,841.11	-	2,761.35
Working capital demand loan [refer note (b) below]	-	-	6,976.97	8,963.26
Loans repayable on demand from banks (overdraft facilities) [refer note (b) below]	-	-	2.32	1,747.18
Unsecured at amortised cost:				
Term loans from related parties:				
Arjas Steel Private Limited [refer note (d) below]	4,038.50	3,727.61	-	-
Other loans from related parties:				
Arjas Steel Private Limited [refer note (d) below]	26,507.92	20,344.72	-	-
Loans from other than related parties:				
Working capital demand loan [refer note (f) below]	-	-	4,514.31	-
	30,546.42	25,913.44	11,493.60	13,471.79

a) The details of security and repayment of secured term loans are as follows:

Security	Interest and repayment terms
ICICI Bank Limited i) First pari passu charge on all the immovable and movable properties. ii) Second pari-passu charge over present and future current assets. iii) Charge on debt service reserve account [DSRA] or lien over interest bearing fixed deposits. iv) Borrower to maintain minimum security cover of 1.25x throughout the tenure of the facility. v) Non-disposable undertaking to the extent of controlling stake held by Immediate Holding Company. vi) Non disposal/repayment of INR 1,600 lakh taken from Immediate Holding Company. vii) Corporate guarantee from Immediate Holding Company.	i) Term loan of INR Nil [March 31, 2025: INR 1,312.50 lakh]. The term loan is repaid during the year. ii) Term loan of INR Nil [March 31, 2025: INR 1,093.75 lakh]. The term loan is repaid during the year. iii) Rate of interest on all loans are MCLR-1Y+Spread ranging 9.00% - 9.75% per annum [March 31, 2025: 9.65% - 9.75% per annum] iv) The closing balance of the borrowings is net of unamortised cost of INR Nil [March 31, 2025: INR 7.82 lakh] and interest accrued of INR Nil [March 31, 2025: INR 1.93 lakh]
HDFC Bank Limited i) First pari passu charge on all the immovable and movable properties. ii) Second pari-passu charge over present and future current assets. iii) Charge on DSRA or lien over interest bearing fixed deposits. iv) Borrower to maintain minimum security cover of 1.25x throughout the tenure of the facility. v) Non-disposable undertaking to the extent of controlling stake held by Immediate Holding Company. vi) Non disposal/repayment of INR 2,330 lakh taken from Immediate Holding Company. vii) Corporate guarantee from Immediate Holding Company.	i) Term loan of INR Nil [March 31, 2025: INR 2,187.50 lakh]. The term loan is repaid during the year. ii) Rate of interest on all loans are 3M MCLR+100 bps ranging 9.35% - 10.30% per annum [March 31, 2025: 10.15% - 10.30% per annum] iii) The closing balance of the borrowings is net of unamortised cost of INR Nil [March 31, 2025: INR 6.92 lakh] and interest accrued of INR Nil [March 31, 2025: INR 21.52 lakh].

b) The Company has the following working capital facilities from:

- ICICI Bank Limited - INR 525.31 lakh [March 31, 2025: INR 7,450.00 lakh]; interest rate 1-MCLR 6M+0.70% ranging 7.19% to 9.00% per annum [March 31, 2025: interest rate 1-MCLR 6M+0.70% ranging 8.75% to 9.00% per annum] and accrued interest of INR 0.23 lakh [March 31, 2025: INR 1.79 lakh].
- HDFC Bank Limited - INR Nil [March 31, 2025: INR 1,500.00 lakh]; interest rate 3M MCLR+100 bps ranging 7.75% to 9.00% per annum [March 31, 2025: 3M MCLR+100 bps ranging 9.00% to 9.32% per annum] reset quarterly and accrued interest of INR Nil [March 31, 2025: INR 11.47 lakh].
- RBL Bank Limited - INR 6,450.00 lakh [March 31, 2025: INR Nil]; interest rate ranging 6.90% to 8.41% per annum [March 31, 2025: Nil] and accrued interest of INR 1.43 lakh [March 31, 2025: INR Nil].
- Overdraft facility from HDFC Bank Limited - INR 2.32 lakh [March 31, 2025: INR 899.55 lakh]; interest rate 3M MCLR+100 bps ranging 7.75% to 9.00% per annum [March 31, 2025: 3M MCLR+100 bps ranging 9.00% to 9.32% per annum] reset quarterly and accrued interest of INR Nil [March 31, 2025: INR 7.50 lakh].
- Overdraft facility from ICICI Bank Limited - INR Nil [March 31, 2025: INR 840.13 lakh] [interest rate 1-MCLR 6M+0.70% ranging 8.80% to 9.70% per annum [March 31, 2025: 1-MCLR 6M+0.70% ranging 8.75% to 9.00% per annum]. and accrued interest of INR 0.49 lakh [March 31, 2025: Nil].

The above facilities are secured by first pari passu charge on current assets, second pari passu charge on plant & machinery and corporate guarantee from Immediate Holding Company.



16 Borrowings [Contd.]

- c) The Company has not defaulted on repayment of principal and payment of interest to financial institutions on any of the above borrowings during the year.
- d) During the year INR 4,350.00 lakh [March 31, 2025: INR 3,607.58 lakh] was borrowed from Arjas Steel Private Limited. The interest and repayment terms of the outstanding are as below:
- (i) INR 23,305.58 lakh [March 31, 2025: INR 18,955.58 lakh] bearing interest rate ranging from 7.75% - 9.00% per annum [March 31, 2025: 9.00% - 9.32% per annum] reset as per interest rate of working capital loans availed by the Company repayable after March 31, 2029. The accrued interest net of withholding taxes for this loan is INR 3,202.34 lakh [March 31, 2025: INR 1,389.14 lakh].
- (ii) INR 3,431.16 lakh [March 31, 2025: INR 3,431.16 lakh] bearing interest rate ranging from 8.50% to 9.60% per annum [March 31, 2025: 9.60% per annum] reset as per interest rate of loans availed by the Immediate Holding Company from its lenders repayable after March 31, 2029. However, by mutual agreement the parties can change the repayment terms subject to the restriction given in the borrowing agreements with ICICI Bank Limited and HDFC Bank Limited mentioned above. The accrued interest net of withholding taxes for this loan is INR 607.34 lakh [March 31, 2025: INR 296.45 lakh].
- e) On March 23, 2026, the Company has obtained approval for deferment for payment of interest till March 31, 2029 relating to the loans availed from Immediate Holding Company.
- f) The Company has unsecured working capital facilities from Yes Bank Limited - INR 4,500.00 lakh [March 31, 2025: INR Nil]; interest rate ranging 6.61% to 8.49% per annum and accrued interest of INR 14.31 lakh [March 31, 2025: INR Nil].
- g) The quarterly returns or statements filed (as revised wherever applicable) by the Company for working capital limits with such banks and financial institutions are in agreement with the unaudited books of account of the Company.

17 Trade payables

	As at	
	March 31, 2026	March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	1,631.58	915.07
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,287.00	6,791.79
	11,918.58	7,706.86

(i) Ageing as at March 31, 2026

Particulars	Not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	1,161.91	469.44	0.23	-	-	-	1,631.58
Outstanding dues other than micro enterprises and small enterprises							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	7,405.41	1,462.18	1,276.03	143.38	-	-	10,287.00
Total	8,567.32	1,931.62	1,276.26	143.38	-	-	11,918.58

(ii) Ageing as at March 31, 2025

Particulars	Not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	613.77	301.30	-	-	-	-	915.07
Outstanding dues other than micro enterprises and small enterprises							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	3,630.03	2,998.31	144.41	1.75	8.97	8.32	6,791.79
Total	4,243.80	3,299.61	144.41	1.75	8.97	8.32	7,706.86

(iii) Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)".

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

Details of dues to micro enterprises and small enterprises as defined under the MSMED Act, 2006

	As at	
	March 31, 2026	March 31, 2025
(a) the amount remaining unpaid to MSMED suppliers as at the end of the year;		
principal*	1,867.15	916.91
interest due thereon	1.09	2.28
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	49.96	50.87
(d) the amount of interest accrued and remaining unpaid at the end of the year;	116.61	65.56
(e) amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006	-	-

* Includes dues of micro, small and medium enterprises included within other financial liabilities in note 18.



18 Other financial liabilities	(all amounts are rupees in lakh, unless otherwise stated)			
	Non current		Current	
	As at		As at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Guarantee commission payable [refer note 34]	-	-	857.33	565.20
Creditors for capital goods				
- Dues to micro and small enterprises [refer note 17(iii)]	-	-	235.57	1.84
- Dues to other than micro and small enterprises	-	-	42.62	119.19
Retention money payable	66.28	114.58	117.16	43.80
	66.28	114.58	1,252.68	730.03

19 Provisions	Non current		Current	
	As at		As at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Employee benefits				
Provision for gratuity [refer note 39]	495.73	344.38	140.19	98.02
Provision for leave encashment* [refer note 39]	-	-	154.80	104.88
	495.73	344.38	294.99	202.90

*The entire amount of provision is presented current since the Company does not have an unconditional right to defer settlement for any of these obligations. However the Company does not expect all employee to avail full amount of accrued leave or require payment for such leave within the next 12 months.

20 Other current liabilities	As at	
	March 31, 2026	March 31, 2025
Advances from customers	94.80	67.03
Statutory remittances	302.10	365.64
Interest payable to micro and small enterprises [refer note 17 (iii)]	116.61	65.56
	513.51	498.23



(all amounts are rupees in lakh, unless otherwise stated)

21 Revenue from operations

	Year ended	
	March 31, 2026	March 31, 2025
Sale of products	66,338.00	59,658.58
Other operating revenue		
- Export incentives	4.43	6.68
- Others (including sale of scrap)	269.55	211.07
	66,611.98	59,876.33

Disaggregation of revenue from contracts with customers

a) Reconciling the amount of revenue recognised with contracts and total revenue

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Total revenue from operations	66,611.98	59,876.33
Adjustments:		
Other operating revenue		
- Export incentives	4.43	6.68
Total revenue from contracts with customers	66,607.55	59,869.65

b) Product-wise revenue

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Bars	64,665.34	57,661.53
Billets	34.54	13.62
Ingots	1,630.71	1,977.03
Slag	7.41	6.40
Total revenue from sale of products	66,338.00	59,658.58
Others (including sale of scrap)	269.55	211.07
Total revenue from contracts with customers	66,607.55	59,869.65

c) Geography-wise revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Particulars	Year ended	
	March 31, 2026	March 31, 2025
India	66,343.87	59,310.94
Other than India	263.68	558.71
Total revenue from contract with customers	66,607.55	59,869.65

d) Timing of revenue recognition

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Revenue at a point in time	66,607.55	59,869.65
Revenue over the period	-	-
Total revenue from contracts with customers	66,607.55	59,869.65

e) Reconciliation of gross revenue from contracts with customers

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Revenue as per contracted price	68,020.52	61,750.85
Less: Discounts	(1,412.97)	(1,881.20)
Total revenue from contracts with customers	66,607.55	59,869.65

f) Contract balance

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Contract assets - Trade receivables [refer note 7]	12,930.11	10,820.22
Contract liabilities - Advances from customers [refer note 20]		
Balance at beginning of the year	67.03	45.48
Amount recognised in revenue out of opening balance	(67.03)	(45.48)
Amount received in advance during the year net of revenue recognised	94.80	67.03
Balance at end of the year	94.80	67.03



(all amounts are rupees in lakh, unless otherwise stated)

22 Other income	Year ended	
	March 31, 2026	March 31, 2025
Interest income earned on financial assets carried at amortised cost		
Deposits with banks	20.25	26.97
Usance letter of credit	14.42	3.73
Other non - operating income		
Liabilities no longer required written back	78.38	15.04
Interest income on deposits	45.70	60.60
Miscellaneous income	26.54	161.03
	185.29	267.37
23 Cost of materials consumed	Year ended	
	March 31, 2026	March 31, 2025
Raw materials		
Inventory at the beginning of the year	1,111.45	1,516.32
Add: Purchases (net)	45,166.98	39,259.41
Less: Inventory at the end of the year	1,480.57	1,111.45
	44,797.86	39,664.28
24 Changes in inventories of finished goods, semi finished goods and work-in-progress	Year ended	
	March 31, 2026	March 31, 2025
Inventories at the end of the year [including goods-in-transit, refer note 12]		
Work-in-progress	1,390.50	1,013.59
Semi-finished goods	1,181.81	821.14
Finished goods	4,290.30	4,186.24
	6,862.61	6,020.97
Inventories at the beginning of the year [including goods-in-transit, refer note 12]		
Work-in-progress	1,013.59	866.40
Semi-finished goods	821.14	929.88
Finished goods	4,186.24	3,917.43
	6,020.97	5,713.71
	(841.64)	(307.26)
25 Employee benefits expense	Year ended	
	March 31, 2026	March 31, 2025
Salaries, wages and bonus	2,721.08	2,482.93
Contribution to provident and other funds [refer note 39]	209.76	197.70
Gratuity [refer note 39]	98.88	98.73
Staff welfare expenses	210.25	225.50
	3,239.97	3,004.86
26 Finance costs	Year ended	
	March 31, 2026	March 31, 2025
Interest on financial liabilities carried at amortised cost		
Interest on overdraft / other loans [refer (i) below]	2,724.66	2,454.17
Interest on term loans [refer (ii) below]	642.69	945.16
Interest on lease liabilities	1.02	1.35
Guarantee commission [refer note 34]	249.94	249.94
Other borrowing costs	126.63	289.53
	3,744.94	3,940.15
(i) Interest on other loans includes interest on loan from Immediate Holding Company amounting to INR 1,813.20 lakh [March 31, 2025: INR 1,543.49 lakh][refer note 34]		
(ii) Interest on term loans includes interest on loan from Immediate Holding Company amounting to INR 310.89 lakh [March 31, 2025: INR 329.39 lakh] [refer note 34]		
27 Depreciation and amortisation expenses	Year ended	
	March 31, 2026	March 31, 2025
Depreciation on property, plant and equipment [refer note 4]	1,030.36	877.22
Depreciation on right of use assets [refer note 5A]	3.65	3.65
Amortisation of intangible assets [refer note 6B]	8.38	3.73
	1,042.39	884.60



(all amounts are rupees in lakh, unless otherwise stated)

28 Other expenses

	Year ended	
	March 31, 2026	March 31, 2025
Stores and spares consumed	6,689.93	6,124.60
Power and fuel	7,808.34	6,812.57
Labour charges	1,231.17	1,209.36
Freight outward and forwarding charges	985.66	857.70
Rent [refer note 33]	108.13	91.38
Repairs and maintenance - building	32.02	15.76
Repairs and maintenance - plant and machinery	815.49	765.15
Repairs and maintenance - others	62.40	77.96
Insurance	52.11	63.33
Rates & taxes	49.50	54.05
Legal and professional charges [refer (ii) below and note 34]	405.23	366.05
IT related services	23.02	20.04
Communication expenses	7.30	9.48
Travel and conveyance	35.05	41.41
Security charges	75.65	78.09
Payment to auditors [refer (i) below]	47.51	38.60
Advance to vendors written off	3.15	-
Loss allowance on trade receivables	11.38	34.56
Provision for doubtful advances	-	18.99
Net loss on foreign currency transaction and translations	(2.92)	29.68
Property, plant and equipment written off	9.27	45.71
Miscellaneous expenses	56.41	73.40
	18,505.80	16,827.87

(i) Details of auditors' remuneration and out-of-pocket expenses is as below

As auditor

Statutory audit fee

Tax audit fee and other certification

Reimbursement of expenses *

(amounts presented above excludes GST)

* Reimbursement of expenses for the financial year ended March 31, 2025 includes INR 1.52 lakh paid to erstwhile auditor.

(ii) Legal and other professional charges includes amounts paid to a firm affiliated to the statutory auditors firm through a networking arrangements as registered with the Institute of Chartered Accountants of India, for the year ended March 31, 2026 Nil [March 31, 2025: INR 1.50 lakh].

	Year ended	
	March 31, 2026	March 31, 2025
Statutory audit fee	40.00	32.00
Tax audit fee and other certification	4.50	4.00
Reimbursement of expenses *	3.01	2.60
	47.51	38.60

29 Exceptional item

	Year ended	
	March 31, 2026	March 31, 2025
Impact of change in labour code [refer note 39(iv)]		
Gratuity	149.25	-
Leave encashment	(2.86)	-
	146.39	-

30 Earnings per share (EPS)

	Year ended	
	March 31, 2026	March 31, 2025
The calculation of profit attributable to equity shareholders and weighted average number of equity shareholdings for the purpose of basic EPS and diluted EPS are as follows:		
Basic earnings per share :		
Attributable to equity holders of the Company (in INR absolute numbers)	(25.59)	(25.81)
Diluted earnings per share :		
Attributable to equity holders of the Company (in INR absolute numbers)	(25.59)	(25.81)
Reconciliation of earnings used in calculating earnings per share :		
Basic earnings per share		
Loss attributable to equity shareholders of the Company	(3,838.44)	(3,870.80)
Diluted earnings per share		
Loss attributable to equity shareholders of the Company		
Used in calculating basic EPS	(3,838.44)	(3,870.80)
Used in calculating diluted EPS	(3,838.44)	(3,870.80)
Weighted average number of shares used as the denominator :		
Weighted average number of equity shares are used as the denominator in calculating basic EPS and diluted EPS	15,000,000	15,000,000



31 Financial instruments

Fair value hierarchy

Carrying amounts and fair values of the financial assets and financial liabilities are presented below.

Cash and cash equivalents, trade receivables, bank deposits, other financial assets, trade payables, lease liabilities and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The company does not have any financial instruments to be valued as per level 1, level 2, level 3 and accordingly the disclosure of fair value hierarchy is not applicable.

Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2026 were as follows:

Particulars	Carrying Value			Fair Value
	Balances at amortised cost	Balances at FVTOCI	Balances at FVTPL	
Financial assets				
Trade receivables	12,930.11	-	-	12,930.11
Cash and cash equivalents	936.30	-	-	936.30
Other non current financial assets	32.22	-	-	32.22
Other current financial assets	18.95	-	-	18.95
Financial liabilities				
Borrowings from banks (includes current maturities of long term borrowings and accrued interest)	11,493.60	-	-	11,493.60
Borrowings from related parties	30,546.42	-	-	30,546.42
Non current lease liabilities	4.76	-	-	4.76
Current lease liabilities	3.94	-	-	3.94
Trade payables	11,918.58	-	-	11,918.58
Other financial liabilities	1,318.96	-	-	1,318.96

The carrying value and fair value of financial instruments by each category as at March 31, 2025 were as follows:

Particulars	Carrying Value			Fair Value
	Balances at amortised cost	Balances at FVTOCI	Balances at FVTPL	
Financial assets				
Trade receivables	10,820.22	-	-	10,820.22
Cash and cash equivalents	0.85	-	-	0.85
Other non current financial assets	584.49	-	-	584.49
Other current financial assets	29.66	-	-	29.66
Financial liabilities				
Borrowings from banks (includes current maturities of long term debt)	15,312.90	-	-	15,312.90
Borrowings from related parties	24,072.33	-	-	24,072.33
Non current lease liabilities	8.70	-	-	8.70
Current lease liabilities	3.58	-	-	3.58
Trade payables	7,706.86	-	-	7,706.86
Other financial liabilities	844.61	-	-	844.61

32 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- 1 Credit risk
- 2 Liquidity risk
- 3 Market risk
- 4 Commodity risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors, supported by finance, legal and compliance team, identify and analyse the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The board is assisted in its oversight role by internal audit team. Internal audit team undertakes reviews of risk management controls and procedures, the results of which are reported to the Board.

1 Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from the Company's trade receivables, treasury operations and related activities. The carrying amount of financial assets represent maximum exposure to credit risk. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred such as a breach of contract, significant financial difficulty, it is probable that debtor will enter bankruptcy or other financial reorganisation. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company measures the amount of expected credit loss (ECL) on a financial instrument in a way that reflects an unbiased and probability-weighted amount.



32 Financial risk management [Contd.]

Trade and other receivables:

Management considers that the demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of the business.

The Company uses simplified approach for impairment of trade receivables/contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

Cash and cash equivalents

Credit risk on cash and bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets

There is no significant loss allowance for other financial assets.

Exposure to credit risk

The carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2026 and March 31, 2025 was as follows:

Particulars	Gross carrying amount	Expected credit loss (%)	Expected credit loss allowance	Net carrying amount
Trade receivables	12,964.26	0.26%	34.15	12,930.11
Other non current financial assets	32.22	-	-	32.22
Other current financial assets	18.95	-	-	18.95
	13,015.43		34.15	12,981.28
Trade receivables	10,854.80	0.32%	34.58	10,820.22
Other non current financial assets	584.49	-	-	584.49
Other current financial assets	29.66	-	-	29.66
	11,468.95		34.58	11,434.37

The Company has used the simplified approach for impairment of financial assets as permitted under Ind AS 109, whereby expected credit losses are recognised. The expected credit loss has been determined based on a maturity analysis of the financial assets, applying a provision matrix derived from historical default experience and adjusted for forward-looking estimates and relevant macroeconomic factors.

Concentration of trade receivables

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	March 31, 2026	March 31, 2025
India	12,930.11	10,739.14
Outside India	-	81.08
Total	12,930.11	10,820.22

2 Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Immediate Holding Company has undertaken to provide financial support to the Company vide its letter dated March 23, 2026 for a period of 3 years from the date of issuance of these financial statements. Management of the Company has evaluated the capability and intent of the Immediate Holding Company to extend the above financial assistance. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

Based on guarantee from the immediate Holding Company, the Company will be able to obtain bank facilities to meet its working capital requirements.



(all amounts are rupees in lakh, unless otherwise stated)

32 Financial risk management [Contd.]

The following are the contractual maturities of financial liabilities, excluding estimated interest payments and excluding the impact of netting agreements. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Carrying Amount	Contractual cash flows	0-12 Months	1-3 years	More than 3 years
As at March 31, 2026					
<u>Non-derivative financial liabilities</u>					
Borrowings from banks (includes current maturities of long term borrowings and accrued interest)	-	-	-	-	-
Borrowings from related parties	30,546.42	30,546.42	-	-	30,546.42
Lease liabilities	8.70	9.58	4.60	4.98	-
Short term facilities with bank	11,493.60	11,493.60	11,493.60	-	-
Trade payables	11,918.58	11,918.58	11,918.58	-	-
Other financial liabilities	1,318.96	1,318.96	1,252.68	66.28	-
As at March 31, 2025					
<u>Non-derivative financial liabilities</u>					
Borrowings from banks (includes current maturities of long term debt)	4,602.46	4,617.20	2,773.45	1,843.75	-
Borrowings from related parties	24,072.33	24,072.33	-	1,685.59	22,386.74
Lease liabilities	12.28	14.18	4.60	9.20	0.38
Short term facilities with bank	10,710.44	10,710.44	10,710.44	-	-
Trade payables	7,706.86	7,706.86	7,706.86	-	-
Other financial liabilities	844.61	844.61	730.03	114.58	-

3 Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk.

a) Currency risk

The Company's exposure in USD and EUR transactions gives rise to exchange rate fluctuation risk. Company's policy in this regard incorporates

- Forecasting inflows and outflows denominated in USD and EUR for a 12 month period
- Estimating the net exposure in foreign currency, in terms of timing and amount
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.

Sensitivity analysis below is made on the closing balances as on respective reporting dates.

The Company's exposure to foreign currency risk as at March 31, 2026 and March 31, 2025 was as follows:

Particulars	March 31, 2026		March 31, 2025	
	USD*	EUR*	USD*	EUR*
Trade receivables	-	-	81.08	-
Trade payables	-	-	(218.20)	-
Other financial liabilities	(3.34)	-	(2.88)	-
Net Balance Sheet exposure	(3.34)	-	(140.00)	-

A 1% strengthening of the rupee against the respective currencies as at March 31, 2026 and March 31, 2025 would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for previous year.

Change in profit / (loss) and equity	March 31, 2026	March 31, 2025
USD*	0.03	1.40
EUR*	-	-

A 1% weakening of the rupee against the above currencies as at March 31, 2026 and March 31, 2025 would have had the equal but opposite effect on USD/EUR to the amounts shown above, on the basis that all other variables remain constant.

* The amounts disclosed above are in the functional and presentation currency (i.e., INR lakh).



32 Financial risk management [Contd.]

b) Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments were as follows:

Particulars	Carrying amounts	
	March 31, 2026	March 31, 2025
I. Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	20.82	594.55
II. Variable rate instruments		
Financial liabilities		
- Borrowings from banks (including overdrafts)	11,493.60	15,312.90
- Borrowings from related party	30,546.42	24,072.33

Cash flow sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Cash flow sensitivity for variable rate instruments-

An increase of 100 basis points in interest rates at the reporting date would have decreased/increased profit/loss by the amounts shown below. A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

Particulars	March 31, 2026		March 31, 2025	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Profit/(loss) and equity - (Variable rate liabilities)	(398.47)	398.47	(363.33)	363.33

4 Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

33 Leases

Operating lease: Company as lessee (as per IND AS 116)

The Company has entered into lease arrangements relating to equipment. These leases are for a duration of less than twelve months or leases of low values. These arrangements are cancellable in nature and do not have any lock in period, accordingly future minimum lease payments are not disclosed. Amount of INR 108.13 lakh [March 31, 2025: INR 91.38 lakh] is recorded in Statement of Profit and Loss [refer note 28].

34 Related party disclosures

A Names of related parties and related party relationship

Name	Relationship
a) Parent information	
Skand Private Limited	Ultimate Holding Company from November 11, 2024
The Sandur Manganese & Iron Ores Limited	Intermediate Holding Company from November 11, 2024
Arjas Steel Private Limited	Immediate Holding Company
ADV Partners Pte Limited, Singapore	Ultimate Holding Company till November 10, 2024
Blue Coral Investment Holdings Pte Ltd, Singapore	Intermediary Holding Company till November 10, 2024
Blue Coral Investment Holdings Pte Ltd Y CIA SRC, Spain	Intermediary Holding Company till November 10, 2024
b) Key management personnel	
Ramaswamy Visweswaran	Director [Managing Director till March 04, 2026]
Suryaprabha Ajai Ghorpade	Non Executive Director from May 09, 2025
Bahiji Ajai Ghorpade	Non Executive Director from May 06, 2026
Uttam Kumar Bhageria	Non Executive Director from May 06, 2026
Sridhar Krishnamoorthy	Director till January 26, 2026
Anand Pasupuleti	Chief Executive Officer from March 04, 2026
Sham Krishna	Chief Financial Officer from May 09, 2025
Satyanarayan Mohanty	Company Secretary

B Transactions with related parties:

The following table provides the total transactions that have been entered into with related parties for the relevant financial year:

Name of related party	Year ended	
	March 31, 2026	March 31, 2025
Arjas Steel Private Limited		
a) Loans taken (refer note (ii) below)	4,350.00	3,607.58
b) Interest expense on term loans	310.89	329.39
c) Interest expense on other loans	1,813.20	1,543.49
d) Guarantee commission expense	249.94	249.94
e) Revenue from sale of products	-	1.90
f) Purchases	895.57	-
g) Support service expenses incurred on our behalf	216.95	220.38



(all amounts are rupees in lakh, unless otherwise stated)

34 Related party disclosures [Contd.]

C Amount payable / receivable from related parties

Name of related party	As at	
	March 31, 2026	March 31, 2025
Arjas Steel Private Limited		
a) Loans payable including interest [refer note (ii) below]	30,546.42	24,072.33
b) Equity share capital	1,500.00	1,500.00
c) Guarantee commission payable [refer note (iii) below]	857.33	565.20
d) Trade payable	1,674.81	381.38
e) Corporate guarantee issued by immediate Holding Company [refer note (iii) below]	25,000.00	25,000.00
f) Trade receivable	-	2.24

(i) Outstanding balances at the period ended are unsecured and settlement occurs in cash.

(ii) For terms and conditions of borrowings from Immediate Holding Company, refer note 16(d)

Movement of borrowings from Immediate Holding Company

Particulars	March 31, 2026	March 31, 2025
Balance at beginning of the year	24,072.33	20,940.39
Add: Loan taken during the year	4,350.00	3,607.58
Add: Interest accrued	2,124.09	1,685.59
Less: Interest paid during the year	-	(2,161.23)
Balance at end of the year	30,546.42	24,072.33
Maximum loan outstanding [including accrued interest] during the year	30,546.42	24,072.33

(iii) The Company obtained corporate guarantee for the amount of INR 25,000 lakh from its Immediate Holding Company towards credit facilities availed from bankers. Commission at the rate of 1% has been charged by the Immediate Holding Company on such guarantee provided.

35 Segment information

The Company is in the business of manufacturing special steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker (Board of directors) for assessment of Company's performance and resource allocation. Therefore, the Company has only one reportable segment.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

a) Revenue from operations

Particulars	Year ended	
	March 31, 2026	March 31, 2025
India	66,348.30	59,317.6
Asia other than India	263.68	558.7
Total	66,611.98	59,876.33

b) Non current assets

All non-current assets of the Company are located in India.

c) Customers contributing more than 10% of revenue

Two customers are contributing more than 10% of revenue amounting to INR 17,734.21 lakh [March 31, 2025: INR 19,004.53 lakh].

36 Capital and other commitments [to the extent not provided for]

The Company has a process whereby all long term contracts are assessed for material losses. The Company did not have any long-term contracts including derivative contracts for which there were no foreseeable losses.

	As at	
	March 31, 2026	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account		
Property, plant and equipment	382.49	327.98
Intangibles	7.58	-
	390.07	327.98



37 Capital management

Risk management

The Company's objectives when managing capital are to:

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors and creditors and to sustain future development and growth of its business.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity':

Adjusted net debt (total interest-bearing borrowings less cash and cash equivalents and bank deposits disclosed under other financial assets)
divided by

Total equity (as shown in the Balance Sheet)

The gearing ratios were as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Long term borrowings	30,546.42	25,913.44
Lease liabilities	8.70	12.28
Short term borrowings	11,493.60	13,471.79
Total borrowings	42,048.72	39,397.51
Less:		
Cash and cash equivalents	936.30	0.85
Bank deposits disclosed under other financial assets	20.82	594.55
Net debt	41,091.60	38,802.11
Total equity	(13,638.69)	(9,816.97)
Net debt to equity ratio	(3.01)	(3.95)

Note: For the purpose of the Company's capital management, borrowings includes short term borrowings, long term borrowings [including inter company loans] and lease liabilities.

38 Contingent liabilities

	As at	
	March 31, 2026	March 31, 2025
Claims against the Company not acknowledged as debts *	62.60	62.60

*The above claims includes INR 13.70 lakh [March 31, 2025: INR 13.70 lakh] towards supplementary bills issued by Punjab state electricity board for slow meter running, service connection charges and INR 48.90 lakh towards revision of tariff rates for the year 2014-15.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. Regarding the amounts disclosed above it is not practicable to disclose the information on the possibility of any reimbursement as it is determinable only on occurrence of any future events.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash flow in respect of the above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

39 Employee benefit plans

(i) Defined contribution plan

In accordance with the law, employees of the Company are entitled to receive benefits under the provident and pension fund. Under defined contribution plan, provident and pension are contributed to the government administrated provident fund. The Company has no obligation other than the contribution to the provident and pension fund.

Amounts towards defined contribution plans have been included and recognised under "Contributions to provident and other funds" in note 25 INR 209.76 lakh [March 31, 2025: INR 197.70 lakh].

(ii) Defined benefit plans

Gratuity

The Company operates post-employment defined benefit plan that provides gratuity, governed by the Code on Social Security, 2020. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. These defined benefit plan expose the Company to actuarial risks, such as interest rate risk, salary escalation risk, demographic risk etc.

Risk exposure to defined benefit plans

Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary escalation risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability and there is a risk that these may change.

Regulatory risk:

Gratuity benefit is paid in accordance with the requirements of the Code on Social Security, 2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.



39 Employee benefit plans [Contd.]

Asset liability mismatching or market risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumptions, the gratuity benefits will be paid extra than evaluated. The impact of this will depend on where benefits are vested as at resignation date.

Balances of defined benefit plan

The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Present value of unfunded defined benefit obligation	635.92	442.40
Fair value of plan assets	-	-
Net liability arising from gratuity	(635.92)	(442.40)
Non current	(495.73)	(344.38)
Current	(140.19)	(98.02)

Expenses recognised for defined benefit plan and movement of liabilities

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2026. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at Balance Sheet date:

Particulars	Year ended	
	March 31, 2026	March 31, 2025
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	67.43	65.05
Interest cost	31.45	33.68
Past service cost [disclosed as exceptional item - refer note 29]	149.25	-
Total (A)	248.13	98.73
B. Components of defined benefit costs recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
-Actuarial (gains)/losses arising from changes in demographic assumptions	3.18	(14.76)
-Actuarial (gains)/losses arising from changes in financial assumptions	(23.07)	(48.54)
-Actuarial (gains)/losses arising from experience adjustments	3.17	0.15
Total (B)	(16.72)	(63.15)
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	442.40	471.38
Current service cost	67.43	65.05
Interest cost	31.45	33.68
Past service cost [disclosed as exceptional item - refer note 29]	149.25	-
Remeasurement (gains)/losses:		
-Actuarial (gains)/losses arising from changes in demographic assumptions	3.18	(14.76)
-Actuarial (gains)/losses arising from changes in financial assumptions	(23.07)	(48.54)
-Actuarial (gains)/losses arising from experience adjustments	3.17	0.15
Benefits paid	(37.89)	(64.56)
Closing defined benefit obligation (C)	635.92	442.40

Maturity profile of defined benefit obligation

Particulars	As at	
	March 31, 2026	March 31, 2025
Weighted average duration (based on discounted cashflows)	4 years	4 years
Expected cash flows over the next (valued on undiscounted basis):	Amount in INR	
1 year	140.19	98.02
2 to 5 years	407.37	283.37
6 to 10 years	218.02	145.18
More than 10 years	103.11	70.03

(iii) Other long term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. They are therefore accrued using actuarial valuations and are measured as the present value of expected future payments to be made in respect of services provided by employees.

Expenses in Statement of Profit and Loss

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Leave encashment	67.99	29.71
Leave encashment - impact of labour code [refer note 29]	(2.86)	-
Total	65.13	29.71

Liability as at Balance Sheet date

Particulars	As at	
	March 31, 2026	March 31, 2025
Non current	-	-
Current	154.80	104.88
Total	154.80	104.88



39 Employee benefit plans [Contd.]

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at	
	March 31, 2026	March 31, 2025
Defined benefit obligation Gratuity (Base)	635.92	442.40

Particulars	March 31, 2026		March 31, 2025	
	Defined benefit obligation for decrease in % of assumption	Defined benefit obligation for increase in % of assumption	Defined benefit obligation for decrease in % of assumption	Defined benefit obligation for increase in % of assumption
Discount rate (- / +1%) (% change compared to base due to sensitivity)	662.77 4.22%	(611.07) (3.91%)	461.08 4.22%	(425.12) (3.91%)
Salary growth rate (- / +1%) (% change compared to base due to sensitivity)	(611.55) (3.83%)	661.58 4.03%	(425.50) (3.82%)	460.28 4.04%
Attrition rate (- / +50% of attrition rates) (% change compared to base due to sensitivity)	685.77 7.84%	(606.69) (4.60%)	492.24 11.26%	(416.82) (5.78%)
Mortality rate (- / +10% of mortality rates) (% change compared to base due to sensitivity)	635.97 0.01%	(635.88) (0.01%)	442.45 0.01%	(442.36) (0.01%)

The expected contribution for the next year taken as NIL since the scheme is managed on unfunded basis.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	For gratuity		For other long term benefits	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1. Discount rate	6.75%	6.50%	6.75%	6.50%
2. Salary escalation	9.11%	10.00%	9.11%	10.00%
3. Withdrawal rate	20.81%	22.00%	20.81%	22.00%
4. Retirement age	58 years	58 years	58 years	58 years

(a) The discount rate is based on the prevailing market yield on Government Securities as at the Balance Sheet date for the estimated term of obligations.

(b) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(c) Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured lives mortality 2012-2014.

(iv) Impact of change in labour code

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour code (collectively referred to as "the New Labour Codes"). The Ministry of Labour & Employment published draft Central Rules and FAQs to clarify certain aspects and enable assessment of the financial impact due to changes in regulations. Amongst other things, the New Labour Codes prescribes a uniform definition of wages based on which certain employee benefits such as gratuity, leave encashment, contributions to provident fund and statutory bonus are required to be computed. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and the non-recurring nature of the impact of the New Labour Codes, the Company has presented the one-time impact of the New Labour Codes as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the developments pertaining to the New Labour Codes and will evaluate the impact, if any, on the measurement of liabilities pertaining to employee benefits.

40 Ratios

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance
Current ratio	Total current assets	Total current liabilities	0.93	0.85	8.53%
Debt equity ratio	Total debt including Lease liabilities	Total equity	(3.08)	(4.01)	(23.17%)
Debt service coverage ratio	Earning for debt service = Net profit/(loss) after taxes + Non-cash expenses & income + finance cost	Debt service = Interest + Principal repayments	0.15	0.15	(3.10%)
Return on equity	Net profit/(loss) for the year	Average total equity	(32.73%)	(48.92%)	33.09%

[the ratio is decreased primarily due to decrease in average total equity during the current year]



(all amounts are rupees in lakh, unless otherwise stated)

40 Ratios [Contd.]

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance
Inventory turnover ratio	Cost of goods sold = Cost of materials consumed + Changes in inventories of finished goods, semi finished goods and work-in- progress.	Average inventory	4.97	4.65	6.81%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	5.61	5.70	(1.60%)
Trade payables turnover ratio	Net credit purchases	Average trade payable	4.60	5.80	(20.60%)
Net capital turnover ratio	Revenue from operations	Average working capital [Current assets-Current liabilities]	(25.76)	(6.21)	(314.65%)
		<i>[the ratio is declined due to reclassification of current borrowing of intercompany loan to non-current during the previous year resulting in reduction of the average working capital]</i>			
Net profit ratio	Net profit/(loss) for the year	Revenue from operations	(5.76%)	(6.46%)	10.86%
Return on capital employed (ROCE)	Profit/(loss) before tax and finance cost	Capital employed = Equity + Borrowings + Lease liabilities	(0.33%)	0.23%	(240.36%)
		<i>[the ratio is reduced on account of additional borrowings taken and reduction in equity due to losses during the current year]</i>			
Return on investment (Other than investments in subsidiaries)	Income earned on investments	Average investments for the period	-	-	-

41 Additional disclosures required by Schedule III to the Companies Act, 2013;

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (iv) 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, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
- (v) 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: 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.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the companies act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the companies act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has not entered into any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended March 31, 2026.
- (x) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) during the year.

42 (a) **Daily back-up:** The Companies (Accounts) Amendments Rules 2022 mandates maintenance of backup of Company's books of account and other books and papers maintained in electronic mode on servers physically located in India on a daily basis. The Company uses accounting software for maintaining its books of account and has maintained back-up of such books of account on a daily basis in a server physically located in India except for certain payroll records wherein back-up is not stored in a server physically located in India.

(b) **Audit trail:** The Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of account. The Company uses accounting software for maintaining its books of account for the year ended March 31, 2026 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 except that:

- in respect of one software, the audit trail feature was not enabled for certain critical tables/master records for the period April 01, 2025 till January 21, 2026 and audit trail was not enabled at the database level to log any direct data changes.

- in respect of another software operated by a third-party software service provider and used by the Company for maintaining certain payroll records, the independent auditor's system and organisation controls reports does not cover audit trail related reporting. The Company is in process of discussing with the third party software provider to include the audit trail related reporting in the independent auditor's system and organisation controls report.

Additionally, the audit trail that was enabled and operated has been preserved by the Company as per the statutory requirements for record retention.



43 Corporate Social Responsibility

As per the provisions of section 135 of the Act and Companies (CSR Policy) Rules, 2014, The Company is required to comply with CSR obligations if, during the immediately preceding financial year, it meets any of the following criteria: (i) net worth of INR 500 crore or more, or (ii) turnover of INR 1,000 crore or more, or (iii) net profit of INR 5 crore or more. The Company did not meet the aforesaid CSR applicability criteria during the immediately preceding financial year. Further, the Company has not earned any net profits during the three immediately preceding financial years. Accordingly, the provisions related to CSR expenditure under section 135 of the Act are not applicable to the Company.

44 The management has evaluated subsequent events till May 06, 2026, the date at which the financial statements of the Company for the year ended March 31, 2026 were authorized for issue by the Company's board of directors.



for and on behalf of Board of Directors of
Arjas Modern Steel Private Limited
CIN: U27205PB2020PTC052289


Uttam Kumar Bhageria
Director
DIN: 10589928


Ramaswamy Visweswaran
Director
DIN: 07268366


Anand Pasupuleti
Chief Executive Officer


Sham Krishna
Chief Financial Officer


Satyanarayan Mohanty
Company Secretary

Date: May 06, 2026
Place: Bengaluru

[Membership No: 22035]