# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
CIN: U27106TN2006PLC059519

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 18th Annual Report, together with the audited accounts for the year ended 31st March 2024.

## FINANCIAL RESULTS:

Rs. in lacs

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from operations & other income | 1,02,218.35 | 85,979.52 |
| Profit before Depreciation and finance cost | 5977.43 | 4757.20 |
| Less: Depreciation | 801.51 | 648.29 |
| Profit before Taxes | 3082.24 | 2758.09 |
| Less: Provision for Taxes, including short provisions for previous year & deferred tax | 794.85 | 736.02 |
| **Net Profit after Taxes** | **2242.08** | **2022.07** |
| **Earnings per share** | **95.00** | **85.95** |

## BUSINESS OPERATIONS

During the year under review, your company has achieved excellent growth in performance and has earned income from operations of Rs1022.18 Crores as against Rs.857.79 Crores during previous year, an increase by 19.16%. However, the profit before tax was at Rs.3082.24 lacs as against Rs.2758.09 lacs during previous year. The improvement in operational profits for the year is attributed to good order booking position and overall curtailment of operational costs. Your directors are taking all possible efforts to tap the potential market and utilize the available resources to the optimum level and show improved performance in the current year.

During the year under review, your company has converted from private limited company to public limited company 9th January 2024. The company is initiating steps to bring in SME IPO the current year under operation.

## DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the financial year 2023-24

## TRANSFER TO RESERVES

The Company has not made any transfer to general reserves during the year 2023-24.

## SHARE CAPITAL

The paid up Equity Share capital as at 31st March 2024 stood at Rs.2,35,25,300/- and there was no change in the capital structure of the Company. The shareholders in the Extra Ordinary Meeting held on 28th November, 2024 has approved for increase of the authorized share capital from Rs.3.00 crores to Rs.25.00 Crores.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

## BOARD MEETINGS

During the financial year 2022-23, twenty one (21) meetings of Board of Directors were held on 10/04/2023, 27/04/2023, 28/04/2023, 30/05/2023, 14/06/2023, 18/07/2023, 01/09/2023, 30/09/2023, 16/10/2023, 30/10/2023, 02/11/2023, 28/11/2023, 30/11/2023, 15/12/2023, 22/12/2023, 30/12/2023, 05/01/2024, 27/01/2024, 28/02/2024, 04/03/2024 and 20/03/2024. The meetings of the board were held periodically and has not lapsed a period of 120 days between two meetings as prescribed u/s. 173(1) of the Companies Act 2013.

## DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR HAVE RESIGNED DURING THE YEAR

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr.Abhishek Bhalotia, Director retires by rotation and being eligible offers himself for reappointment. Necessary resolution seeking the approval of the members for his reappointment has been incorporated in the notice of the Annual General Meeting of the company scheduled to be held on 30th September, 2024. The profile and particulars of experience, attributes and skills of Mr.Abhishek Bhalotia together with his other directorship has been disclosed in the annexure to the notice of the Annual General Meeting.

## INDEPENDENT DIRECTORS

During the year under review, the board of directors have appointed Mr.Shashank Garg (DIN 10194229) as Additional Non-Executive Independent Director w.e.f. 30/11/2023 and the same was regularized by the shareholders in the Extra Ordinary General Meeting held on 22nd December, 2023 to hold office upto the ensuing Annual General Meeting. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr.Shashank Garg shall hold office upto the date of the forthcoming Annual General Meeting of the company and is eligible to be appointed as an

Independent Director for a term upto five years. Also the Board of directors have appointed Mr.Ashwin Satyanarayan Agarwal (DIN 09063717) as Additional Non-Executive Independent Director w.e.f. 10th January, 2024, who shall hold office upto the ensuing Annual General Meeting of the Company and is eligible to be appointed as an Independent Director for a term upto five years.

The company has received notice under section 160 of the Companies Act, 2013 from Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal, signifying their candidature as an Independent Director of the company. A brief profile of both Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal including nature of his expertise has been disclosed in the annexure to the notice of the Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of director at the General Meeting, if he or some member intending to propose him as a director, has not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, alongwith the deposit of Rupees one lakh. However, as per the proviso to Section 160 which is made effective from 09.02.2018 the requirement of deposit of amount shall not apply in case of appointment of Independent Director of the Company. Since Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal are independent director of the company, there is no requirement of submission of requisite deposit.

Both the independent directors of the company have submitted declarations that each of them meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 alongwith the Rules framed thereunder and they continue to comply with the Code of conduct laid down under Schedule IV of the Act. The Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They have further confirmed that they are not debarred from the holding the office of the director under any SEBI order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances, which may affect their status as Independent Directors of the company and the board is satisfied with the integrity, expertise and experience (Including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all independent Directors on the board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the company have included their names in the data bank of Independent Directors. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the company during business hours on any

working day and is also available on the website of the company www.rksteel.co.in. The board of directors therefore recommend their appointment as Non-Executive Independent Directors of the company for five years as per the resolutions set out in the notice convening Annual General Meeting.

**WOMAN DIRECTOR**

The board of directors have appointed Mrs. Beena Bhalotia was appointed as Additional Director in the capacity as Woman Director, who shall hold office upto the ensuing Annual General meeting. The company has received a notice under Section 160(1) of the Companies Act, 2013 from a member signifying his intension to propose Mrs.Beena Bhalotia to be appointed as Director of the company in the ensuing Annual General Meeting alongwith a deposit of Rs.one lac. The profile and particulars of experience, attributes and skills of Mrs.Beena Bhalotia together with his other directorship has been disclosed in the annexure to the notice of the Annual General Meeting.

As Mrs.Beena Bhalotia has requisite knowledge and expertise in the business, the board that her induction on the board will be of benefit to the company and hence they recommend to the shareholders for her appointment as Director not subject to retirement by rotation, at the ensuing Annual General Meeting.

**AUDIT COMMITTEE**

As per Section 177 of the new Companies Act read with Rule 6 of the Companies (Meetings of the Board) Rules, 2014, there was no requirement for the company to have an Audit Committee.

**AUDITORS**

M/s. R.R.More & Co., Chartered Accountants, Chennai who were appointed as Statutory auditors of the company for five financial years from 2019-20 to 2023-24. The Company has received a certificate from M/s. R.R.More & Co., Chartered Accountants, to the effect that their appointment would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder and also their consent for continuing as statutory auditor for the financial year 2023-24. Accordingly, the Board of Directors take on record their continuance as statutory auditors of the company for the financial year 2023-24.

Pursuant to Section 139 of the Companies Act, 2013, M/s.R.R.More & Co., Chartered Accountants, Chennai, with Firm Registration Number FRN 002133S, were appointed as Statutory Auditors of the Company at the 13th Annual General Meeting of the company held in 30th September, 2019 for a consecutive period of five years from the Financial year 2019-20 to 2023-24 and accordingly they hold office as Statutory Auditors up to the conclusion of the ensuing Annual General Meeting. As the company is planning for SME IPO in the current year, it

your Directors have proposed to appoint Peer Review Auditor and accordingly they have proposed to appoint M/s.Mahesh C. Solanki & Co., Chartered Accountants, Indore, with Firm Registration No. 006228C as Statutory Auditors of the company for a term of five financial years from 2024-25 to 2028-29. M/s. Mahesh C. Solanki & Co., Chartered Accountants, have confirmed their eligibility and willingness to act as Statutory auditors of the company and have given a certificate to the effect that their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made there under. Accordingly, your Directors recommend for their appointment as Statutory Auditors and Peer Review Auditor (holding Peer Review certificate No: 016526 valid from 02.04.2024 to 30.04.2027), of the Company for the five financial years from 2024-25 to 2028-29, to hold office from the conclusion of this 18th Annual General Meeting till the conclusion of the 23rd Annual General Meeting on a remuneration to be decided by the Board of directors for each financial year in consultation with the auditors.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that: -

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year.

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review your Company has not given any loans or guarantees or made any investments or given any security covered under the provisions of Section 186 of the Companies Act, 2013.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS / TRANSACTIONS WITH RELATED PARTIES

During the year under review, the company has entered into any contracts/ arrangements/transactions with the related parties as detailed in Form AOC-2 given in **Annexure-I** hereto and forming part of this report. Whatever transactions done, if any, were in the ordinary course of business and on arm's length basis. Since these transactions were initiated when the company was a private limited company where the board has approved the transactions. As the company has been converted into Public limited company w.e.f. 9th January, 2024 and as all the promoters directors are deemed to be concerned or interested in the said related party transactions, the board of directors felt that as a matter of abundant caution the said related party transactions be approved and ratified by the shareholders in the ensuing Annual General Meeting and accordingly recommends to shareholders for passing the resolution as set out under Item no.11 for approval.

Also the company is seeking shareholders approval under Section 188(1)(f) of the Companies Act, 2013 in respect of the related party transactions for appointment of Mrs.Beena Bhalotia and Mrs. Dolly Balotia to hold office of profit on a remuneration and for entering into sale or purchase transactions with the related party M/s.KPR TUPES LLP, by passing of Ordinary Resolutions as set out in item no.12 to 14 of the notice of Annual General Meeting.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) and 134 (3) (a) of the Companies Act, 2013, read with Rule 12 of Companies (Management and Administration) Rules 2014, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board report. The Website link for the same is http://www.rksteel.co.in.

## MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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Pursuant to Section 134(3)(m) of the Companies Act,2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is as follows:

**(A) Conservation of energy-**

(i) the steps taken or impact on conservation of energy: The company has taken all possible efforts to utilize the electrical energy to the optimum extent possible.

(ii) the steps taken by the company for utilising alternate sources of energy: The company has devised ways and means to reduce cost of production and improve productivity.

(iii) the capital investment on energy conservation equipments: NIL

**(B) Technology absorption-**

(i) the efforts made towards technology absorption: Your company was following indigenous technology for the manufacture of steel products.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : The company has not adopted any imported technology

(a) the details of technology imported: NIL
(b) the year of import: NA
(c) whether the technology been fully absorbed: NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA and

(iv) the expenditure incurred on Research and Development: NIL

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.
The foreign exchange earnings and outgo during the year under review is as follows:

| | |
|---|---|
| Foreign Exchange Earnings (Actual foreign exchange earnings from export sales) | Rs.43,27,163/- (Previous year Rs. 2,50,13,975/- ) |
| Foreign Exchange outgo (Import of raw materials) | Rs.1,87,50,63,733/- (Previous year Rs. 89,71,678.17/-) |

**REGULATORY / COURT ORDERS**

During the year under review, the Central Government has given approval for conversion of the company from Private Limited to Public Limited company. Besides this there is no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year such controls were tested and no reportable material weakness in the standard operating procedure were observed.

**RISK MANAGEMENT**

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As your company has exceeded the net profit of Rs.5 crores during the financial year ended 31st March, 2024, the provisions of Section 135 is becoming applicable to the company for the current financial year 2023-24 and your directors have appointed a Corporate Social Responsibility (CSR) Committee comprised of the following directors:

1) Mr.Pramod Kumar Bhalotia, Managing Director
2) Mr.Abhishek Bhalotia, Director
3) Mr.Sushank Garg

The CSR committee is drawing a CSR policy and is taking steps to spend CSR amount of 2% of the average net profits during three immediately preceding years in pursuance of its CSR policy, in the current year 2023-24. The detailed CSR report is given in the annexure II.

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## DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS

None of the employees was in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

## DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2023-24.

## COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## APPOINTMENT OF MANAGING DIRECTOR

As per the terms of Articles of Association, Mr. Pramod Kumar Bhalotia was appointed as Managing Director for lift time. However, consequent to the company being converted into public limited company, the board of directors have proposed to recommend to shareholders for their approval for appointment of Mr.Pramod Kumar Bhalotia as Managing Director of the company for a period of 5 years from 1st October, 2024 and fix his remuneration at Rs.3.50 lacs per month.

Mr.Pramod Kumar Bhalotia is the founder promoter, Managing Director of the company and with his vast experience and expertise he has build the company to this level. Considering his knowledge of various managerial aspects relating to the company's affairs and long business

experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr.Pramod Kumar Bhalotia should be available to the company for a period of five years with effect from 1st October, 2024. The terms and conditions of his appointment is set out in the notice of Annual General Meeting.

In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr.Pramod Kumar Bhalotia require approval of members by passing special resolution. Your directors therefore recommend to members to approve his appointment as Managing Director by passing special resolution at the ensuing Annual General Meeting.

**APPOINTMENT OF WHOLE TIME DIRECTOR**

Mr.Abhishek Bhalotia was appointed as Director of the company since 26th September, 2016 and he has been fully involved in the management and administration of the company discharging duties under the superintendence and direction of Managing Director and the board of directors. Since he has contributed a lot for the growth and development of the company limited , the board of directors have proposed to recommend to shareholders for their approval for appointment of

Mr.Abhishek Bhalotia as Whole Time Director of the company for a period of 5 years from 1st October, 2024 and fix his remuneration at Rs.4.50 lacs per month. Mr.Abhishek Bhalotia is one of the key promoter of the company and with his vast experience and expertise he has contributed his efforts in building the company to this level. Considering his knowledge of various managerial aspects relating to the company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Abhishek Bhalotia should be available to the company for a period of five years with effect from 1st October, 2024. The terms and conditions of his appointment is set out in the notice of Annual General Meeting.

In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr. Abhishek Bhalotia require approval of members by passing special resolution. Your directors therefore recommend to members to approve his appointment as Managing Director by passing special resolution at the ensuing Annual General Meeting.

**COMPLIANCE WIH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by the Institute of Company Secretaries of India and approved by Central

Government under Section 118(10) of The Companies Act, 2013 and that such systems are adequate and operating efficiently.

## COST AUDITORS

The Board of Directors had approved the appointment of M/s.STARP & ASSOCIATES, Cost Accountants with Firm Registration No. No. 004143 to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 and fixed their remuneration at Rs.50,000/- for doing cost audit for the financial year 2023-24. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company and accordingly the board recommends the same for approval by members at the ensuing Annual General Meeting.

## INTERNAL AUDIORS

Pursuant to the provisions of Section 138 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, the Board of directors in its meeting held on 5th September, 2024 has appointed M/s.A.John Moris & Co., Chartered Accountants (Firm Registration No.007220S) as Internal Auditors of the Company for the financial year 2024-25 at such remuneration as mutually agreed between the company and the internal auditors.

## SECRETARIAL AUDITOR

As the company's borrowings from banks has crossed beyond Rs.100 crores, in compliance with the provisions of Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules,2020 dt.3rd January, 2020 and Amendment effect from 1st April, 2020, the board of directors in its meeting held on 5th September, 2024 have appointed Mr.T.N.Sridharan, a Company Secretary in Whole Time Practice, a Fellow Member of Institute of Companies Secretaries of India, with FCS 3797 and CP 4191 as Secretarial Auditor for the financial year 2024-25.

## SECRETARIAL AUDIT REPORT

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules,2020 dt.3rd January, 2020 and Amendment effect from 1st April, 2020, every company having outstanding loans or borrowings from Banks or public financial institutions of Rs.100 Crores or more has to prepare and file Secretarial Audit Report given by a Company Secretary in Practice

in Form MR-3. As the company's total borrowings from Banks is Rs.273.11 Crores as on 31st March, 2024, your company has obtained the Secretarial Audit Report from Company Secretary in Practice in Form MR-3 which is given as an annexure to this Board's Report.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**BUY BACK OF SHARES:**

The Company has not bought back any of its securities during the financial year.

**ISSUE OF SWEAT EQUTIY SHARES, BONUS SHARES, ESOP, IF ANY:**

During the year under review the shareholders in the Extra Ordinary General Meeting of the Company held on 28th November, 2023 has approved for bonus issue of 1,41,15,180 equity shares of Rs.10/- each in the ratio of 6:1 ie 6 equity shares for every one equity shares held by the existing shareholders aggregating to Rs.14,11,51,800/- by capitalization of share premium in the reserves.

However, this resolution being passed when the company was private limited company and subsequently as the company got converted into public limited company, where the shares can be issued only in dematerialized form. As the company has obtained the approval for dematerialization of shares only in September, 2024, your directors have not made allotment of bonus shares as approved by shareholders on 28th November, 2023 and have decided to shelve the said approval and seek fresh approval of shareholders in the ensuing Annual General Meeting for bonus shares of same no. of shares and then allot the shares immediately thereafter.

The relevant resolution seeking fresh approval of shareholders for the bonus issue as aforesaid is set out in the notice of Annual General Meeting to seek the approval of shareholders.

Besides this the company has not issued any Sweat Equity Shares nor provided any Stock Option Scheme to the employees.

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## ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

//By Order of the Board of Directors//

for **R.K.STEEL MANUFACTURING CO. LTD.**

Place: Chennai
Date: 05.09.2024

**PROMOD KUMAR BHALOTIA**
**CHAIRMAN-MANAGING DIRECTOR**
**(DIN 01115735)**

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**ANNEXURE-I**

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company with related parties referred to in section 18891) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**Form No. AOC-2**

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

| Sl. No. | Name(s) of the related party and nature of relationship | Nature of relationship | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient features of the contracts or arrangements or transactions including the value (Rs.) | Date of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|---|---|
| 1 | Mr.Pramod Kumar Bhalotia | Managing Director | Salary | 2023-24 | Incharge of overall management of the company on whole time basis<br><br>Remuneration: Rs.47.50 lacs | 10/04/2023 | NIL |
| | | | Rent | | Rent paid for the Premises of the director given on lease to the company<br><br>Rent: 3.00 lacs | | |
| 2 | Mr.Abishek Bhalotia | Director | Salary | 2023-24 | Incharge of Marketing & sales of the company on whole time basis<br><br>Salary:Rs.54.00 lacs | 10/04/2023 | NIL |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | Mrs.Beena Bhalotia | Wife of MD Mr.Pramod Kumar Bhalotia | Salary | 2023-24 | Incharge of Administration of the company on whole time basis<br><br>Salary: Rs.24.00 lacs | 10/04/2023 | NIL |
| 4 | Mrs.Dolly Bhalotia | Wife of Director Mr.Abhishak Bhalotia | Salary | 2023-24 | Incharge of Marketing & sales of the company on whole time basis<br><br>Salary:Rs.24.10 lacs | 10/04/2023 | NIL |
| 5 | KPR TUPES LLP | Directors relatives | Sales & Purchases made | 2023-34 | Sales and purchases made in the ordinary course of business at arms length basis<br><br>Sales: 53221496<br>Purchases: 25565898/- | 10/04/2023 | NI |

for **R.K.STEEL MANUFACTURING CO. LTD.**

Place: Chennai
Date: 05.09.2024

**PROMOD KUMAR BHALOTIA**
**CHAIRMAN-MANAGING DIRECTOR**
**(DIN 01115735)**

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## ANNEXURE II

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2023-24

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

This policy encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the tribal communities at large.

The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking following activities / initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities that are set out under schedule VII of the Companies Act 2013 and Rules which inter alia includes the carrying of CSR activities for.

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health] and sanitation Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including windows;

(vii)training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

(x) rural development projects.

(xi) slum area development. Explanation.— For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii)disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) To undertake such initiatives/ projects in the areas as the Central Government may incorporate as CSR activity under Schedule VII of Companies Act and the Rules

made thereunder from time to time which the CSR Committee / Board may consider appropriate to undertake.

The Board of Directors has constituted the CSR Committee and the scope of the CSR Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy, to recommend the amount of expenditure to be incurred on the CSR activities, to determine the implementation process and modalities of utilization of funds for undertaking CSR initiatives whether on annual basis or long term basis either with the assistance of Social Development cell of holding Company (CCIL) or otherwise as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, etc.

**2. COMPOSITION OF CSR COMMITTEE:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr.Pramod Kumar Bhalotia | Managing Director | 2 | 2 |
| 2 | Mr. Abhishek Bhalotia | Director | 2 | 2 |
| 3 | Mr.Shashank Garg | Independent Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. – No weblink available.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Lakhs) | Amount required to be set-off for the financial year, if any (in Lakhs) |
|---|---|---|---|
| 1 | 2020-2021 | - | - |
| 2 | 2021-2022 | - | - |
| 3 | 2022-2023 | 10,900/- | 10,900/- |

| | | | |
|---|---|---|---|
| 4 | 2023-24 | 874/- | 874/- |
| | **Total** | 11,774/- | 11,774/- |

6. Average net profit of the company for the last preceding three financial years as per section 135(5).-

| Financial year | Net Profit before tax (Amount in Rs) |
|---|---|
| 2020-21 | 16,71,70,581 |
| 2021-22 | 24,20,10,116 |
| 2022-23 | 27,58,08,600 |
| Total for 3 years | 68,49,89,297 |
| Average Profits of 3 years | 22,83,29,766 |

7. (a) Two percent of average net profit of the company as per section 135(5) –

**2% of Rs.** 22,83,29,766=**Rs.45,66,595/-**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. –NIL

(c) Amount required to be set off for the financial year, if any : Rs.10,900/-

(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs.45,55,698/-

8. (a) CSR amount spent or unspent for the financial year:

| **Total Amount Spent for the Financial Year. (in Rs.)** | **Amount Unspent (in Rs.)** | | | | |
|---|---|---|---|---|---|
| | **Total Amount transferred to Unspent CSR Account as per section 135(6).** | | **Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).** | | |
| | **Amount.** | **Date of transfer.** | **Name of the Fund** | **Amount.** | **Date of transfer.** |
| 45,56,572 | - | - | - | - | - |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of the Project.** | **Item from the list of activities in Schedule VII to the Act.** | **Local area (Yes/No).** | **Location of the project.** | | **Project duration.** | **Amount allocated for the project (in Rs.).** | **Amount spent in the current financial Year (in Rs.).** | **Amount transferred to Unspent CSR Account for the project as per Section** | **Mode of Imple-mentation - Direct (Yes/No).** | **Mode of Imple-mentation - Through Implementing Agenc** | |
| | | | | **State.** | **District.** | | | | | | **Name** | **CSR Registratic number.** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 135(6) (in Rs.). | | | |
| 1. | Hospital Project | I(iv) Promoting health care including preventive health care | No | Gujarat | Ahmedabad | 3 years | 4556572 | 4556572 | - | No | Ashirvad Foundation | CSR 00051269 |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of the Project** | **Item from the list of activities in schedule VII to the Act.** | **Local area (Yes/ No).** | **Location of the project.** | | **Amount spent for the project (in Rs.).** | **Mode of implementation - Direct (Yes/No).** | **Mode of implementation - Through implementing agency.** | |
| | | | | **State.** | **District.** | | | **Name.** | **CSR registration number.** |
| | **Total** | - | - | - | | - | - | - | - |

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs.45,56,572/-

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Rs.45,66,598/- |
| (ii) | Total amount spent for the Financial Year | Rs.45,56,572/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | (Rs.10,026) |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Rs.10,900 |

R.K. STEEL MANUFACTURING COMPANY LIMITED
Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
CIN: U27106TN2006PLC059519

| | | |
|---|---|---|
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Rs.874 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer. | |
| 1. | 2020-21 | - | - | - | - | - | - |
| 2. | 2021-22 | - | - | - | - | - | - |
| 3. | 2022-23 | - | - | - | - | - | - |
| | Total | | | | | | - |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| 1 | - | - | - | - | - | - | - | - |
| | Total | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
**(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s).NIL

(b) Amount of CSR spent for creation or acquisition of capital asset.NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The company has spent 2% of average three years profits (Rs.45,66,598/-) after setting off previous year's set off amount of Rs.10,900/- aggregating to Rs. 45,56,572/- on 31/08/2024

| | |
|---|---|
| Sd/-<br>PRAMOD KUMAR BHALOTIA<br>(Chairman-Managing Director ). | Sd/-<br>ABHISHEK BHALOTIA<br>(Director-Member of CSR Committee). |

# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
**CIN:** U27106TN2006PLC059519


**FORM NO.MR-3**
**SECRETARIAL AUDIT REPORT OF**
**R.K. STEEL MANUFACTURING COMPANY PRIVATE LIMITED**
**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024**
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

CIN: U27106TN2006PLC059519
Authorised Capital: Rs.25,00,00,000/-
Paid up Capital : Rs.2,35,25,300/-

To
The Members
R.K.STEEL MANUFACTURING COMPANY LIMITED,
No.5, Ground Floor, Branson Garden Street, Kilpauk,
Chennai 600 010

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **R.K.STEEL MANUFACTURING COMPANY LIMITED**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

As the company's outstanding loans or borrowings from banks/Financial Institutions as at 31st March, 2024 is Rs.273.11 crores more than Rs.100 Crores, the provisions of Section 204 of the Companies Act, 2013 read with Rule 9(1)(c) as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020 as to conduct of Secretarial Audit is applicable to the company for the year ended 31st March, 2024.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **R.K.STEEL MANUFACTURING COMPANY LIMITED** for the financial year ended on 31st March, 2024 according to the provisions of:

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

ii) The Company being unlisted public limited company, the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under are not applicable;

iii) The company being private limited company, the provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Depositories Act, 1996 and the Regulations and Bye-Laws framed there under is not applicable to the company;

iv) As the company has not done any foreign investment transactions during the year under review, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; is not applicable to the company.

v) The Company being unlisted public limited company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable viz.

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(i) Securities and Exchange Board of India (Share Based Employee Benefits)

Regulations, 2014;

(j) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(k) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

vi) The Company has materially complied with laws applicable specifically to the Company for the financial year under review.

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

i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of sub-section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;

ii) The Company being unlisted Private limited company, the company is not required to enter into Listing Agreements with any Stock Exchange(s), and hence compliance in relation thereto is not applicable.

From the verification of records and as per the information and explanation furnished to me, during the period under review, the company has complied with the provisions of the Companies Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable.

I further report that

i) As the company being a private limited company, the provisions relating to appointment of Non-Executive Director and Independent Directors is not applicable to the company and that there is no changes in the composition of the Board of Directors.

ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iii) Majority decision is carried through and recorded as part of the minutes. On perusal of the minutes of the Board, it was observed that there was no dissenting note made by any of the director or member of any committee.

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

The Company, being private limited company,

i) It is not required to constitute Nomination and Remuneration Committee of Directors in terms of Section 178 of the Companies Act, 2013 and the Rules made thereunder;

ii) It is not required to constitute the Audit Committee of directors in terms of Section 177 of the Companies Act, 2013;

iii) It has constituted Corporate Social Responsibility Committee of Directors (CSR) and has formulated CSR Policy and the projects / programmes, to be undertaken for CSR spending in terms of the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

iv) It is not required to consider and approve the "Code of Business Conduct and Ethics" of the Company framed in terms of Section 149 read with Schedule IV of the Companies Act, 2013;

v) It is not required to appoint a woman director in compliance with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

I further report that from the information and explanations furnished to me, during the audit period the Company has:

i) Issued 2,95,000 equity shares of Rs.10/- each at a premium of Rs.279 per share on rights basis and has complied with the provisions of the Act in relation thereto. Besides this the company has not made any Public / Preferential issue of shares/ debentures/ sweat equity etc.

ii) not done any Redemption / buyback of securities;

iii) As the provisions of Section 180 of the Companies Act, 2013 is not applicable and exempt to private limited company the decision taken by the promoters under family arrangement to sell a portion of the undertaking among the family members is well within the provisions of the Act.

iv) no Merger / amalgamation / reconstruction etc. took place during the year under review; and

v) No Foreign technical collaborations have been entered into during the year under review.

Signature: sd/-
Name of the Company Secretary: Tempalle Nagarajan Sridharan
Membership No.FCS 3797 Certificate of Practice No. 4191
UDIN: F003797F001366389
Dated: 28/09/2024
Place: Chennai 600053

Board's report
Dated: 5/9/2024
Place: Chennai

# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
**CIN:** U27106TN2006PLC059519

CIN: U27106TN2006PTC059519
Authorised Capital: Rs.25,00,00,000/-
Paid up Capital : Rs.2,35,25,300/-

To
The Members
R.K.STEEL MANUFACTURING COMPANY LIMITED,
No.5, Ground Floor, Branson Garden Street, Kilpauk,
Chennai 600 010

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

Signature: sd/-
Name of the Company Secretary: Tempalle Nagarajan Sridharan
Membership No.FCS 3797 Certificate of Practice No. 4191
UDIN: F003797F001366389
Dated: 28/09/2024
Place: Chennai 600053

Board's report
Dated: 5/9/2024
Place: Chennai

RAJA RAM MORE, B.Sc.,FCA.,
R.R. MORE & CO.,
CHARTERED ACCOUNTANTS
D-4, First Floor, Rams Appts., Raja Annamalai Road, Purasawalkam, Chennai - 600 084. Ph. : 044-26432011 E-mail : rrmore.ca@gmail.com

# INDEPENDENT AUDITORS' REPORT

To
**The Members of**
**R K STEEL MANUFACTURING COMPANY LIMITED**

## Opinion

We have audited the accompanying financial statements of **R´K STEEL MANUFACTURING COMPANY LIMITED** (Formerly known as R K STEEL MANUFACTURING COMPANY PRIVATE LIMITED) ("the Company"), which comprise the balance sheet as at March 31, 2024, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and cash flows for the year ended on that date.

## Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

## Key audit matters

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

R.R. MORE & COMPANY D4 Rams Apts. 21, R.A. Road. Chennai-84. FR No: 002133S Chartered Accountants

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the financial statements**

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

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

The board of directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

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

R.R. MOTI & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-84.
FR No:
002133S
Chartered Accountants

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

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

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

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

**Report on other legal and regulatory requirements**

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

R.R. MURE & COMPANY
D4
Rams Apts.
21, R.A. Road.
Chennai-84.
FR No:
002133S
Chartered Accountants

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of written representations received from the directors as on 31 March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

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

i. The Company does not have any pending litigations which would impact financial position.

ii. The Company did not have any long-term contracts including derivatives 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether

P. MORE & COMPANY
Ramp Apts.
Road.
Chennai-84.
FR No:
002133S
Chartered Accountants

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

(c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

Based on our examinations which includes test checks, the company has used a software for maintaining its books of accounts which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transaction recorded in this software.

In terms of our attached report of even date
**For R.R MORE & CO**
CHARTERED ACCOUNTANTS
FRN:002133S

R.R. MORE & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-04.
FR No:
002133S
Chartered Accountants

**CA RAJA RAM MORE**
**(PROPRIETOR)**
**M.NO. 21233**

**Place: CHENNAI**
**Date : 05/09/2024**
**UDIN: 24021233BKBHPJ7015**

## Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of R K STEEL MANUFACTURING COMPANY LIMITED of even date)

**On the basis of the information and explanation given to us during the course of our audit, we report that:**

i. (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of its property, plant and equipment.

(B) The company has no intangible assets hence the clause is not applicable

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventories were physically verified by the management during the year at reasonable intervals. In our opinion and according to the 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

(b)

The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. During the year the Company has not made any investment, provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable to the Company.

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iv. The provision of section 185 of the Act are not applicable to the company. According to information and explanation given to us, the company has not given any loan or guarantee or made any investment or provided any security covered under section 186 of the act.

v. The Company has neither accepted any deposits from public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of costs records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax ,Goods and Services tax and customs duty as at 31.03.2024,

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or Government or any Government authority.

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

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

R.R. MORE & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-84.
FR No:
002133S
Chartered Accountants

x. (a) The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Term loans obtained has been utilized for the purpose for which same has been obtained.

(b) The Company has made rights issue to existing shareholders during the year under audit i.e 2,95,000 equity shares at Face value Rs.10 at premium of Rs.279 per equity share aggregating to the value of Rs.8,52,55,000 (comprising of share capital Rs.29,50,000 securities premium Rs 8,23,05,000) .

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business

xv. According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

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

xvii. The company has not incurred cash losses in current financial year and in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly

R.P. MORE & COMPANY D4 Rams Apts, 21, R.A. Road, Chennai-84. FR No: 002133S Chartered Accountants

requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in Notes to the Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.

xx. There is liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are applicable to the Company.

xxi. The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

In terms of our attached report of even date
For R R MORE & CO
CHARTERED ACCOUNTANTS
FRN: 002133S

R.R. MORE & COMPANY
D4
Rams Apts.
21, R.A. Road.
Chennai-84.
FR No:
002133S
Chartered Accountants

CA RAJA RAM MORE
(PROPRIETOR)
M. NO. 21233

Place: CHENNAI
Date : 05/09/2024
UDIN: 24021233BKBHPJ7015

## ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **R K STEEL MANUFACTURING COMPANY LIMITED** (Formerly known as R K STEEL MANUFACTURING COMPANY PRIVATE LIMITED) ("The Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**AUTITOR' RESPONSIBILITY**

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

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

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

R.R. MOORE & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-84.
FR No:
002133S
Chartered Accountants

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In terms of our attached report of even date
For R R MORE & CO
CHARTERED ACCOUNTANTS
FRN:002133S

R.R. MORE & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-84,
FR No.
002133S
Chartered Accountants

CA RAJA RAM MORE
(PROPRIETOR)
M. NO. 21233

Place: CHENNAI
Date : 05/09/2024
UDIN: 24021233BKBHPJ7015

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**NO 5 , BRANSON GARDEN STREET**
**KILPAUK , CHENNAI -10**

**STATUS : DOMESTIC COMPANY**
**PAN NO. : AADCR2847L**
**D.O.F 17/04/2006**

**YEAR ENDED: 31-03-2024**
**ASST. YEAR: 2024-25**

## STATEMENT OF TOTAL INCOME FOR INCOME TAX PURPOSE

| | | |
|---|---|---|
| Net profit as per Profit & Loss Account | | 30,82,23,853 |
| Add: Disallowances | | |
| CSR Expenses | 30,80,000 | |
| PF & ESI contribution beyond due date | 21,152 | |
| Gratuity provision Debited to P & L | 28,76,547 | |
| ROC Expenses -Increase in Authorised capital | 16,50,000 | |
| Depreciation as per companies act | 8,01,50,634 | 8,77,78,333 |
| | | 39,60,02,186 |
| Less: Depreciation as per Income Tax Rules | | 18,13,11,684 |
| | | 21,46,90,502 |
| Less: Income taxable under other heads of income | | |
| Interest On Fixed Deposit | 2,32,29,669 | |
| Interest on EB Deposit | 10,34,052 | 2,42,63,721 |
| | | 19,04,26,781 |
| **INCOME FROM CAPITAL GAINS** | | |
| Sale of Shares of Surya Dev Alloys & Power Pvt Ltd. | 34,59,000 | |
| Less :Indexed Cost of Acquisition | 42,99,031 | |
| | (8,40,031) | |
| Less: Carried forward | 8,40,031 | NIL |
| **INCOME FROM OTHER SOURCES** | | |
| Interest On Fixed Deposit | 2,32,29,669 | |
| Interest on EB deposit | 10,34,052 | 2,42,63,721 |
| | **NET TOTAL INCOME** | 21,46,90,502 |
| | | OR |
| | **ROUNDED OFF TO** | **21,46,90,500** |

## TAX COMPUTATION

| | |
|---|---|
| Income Tax Payable @ 22% | 4,72,31,910 |
| Add : Surcharges @10% | 47,23,191 |
| | 5,19,55,101 |
| Add : Education Cess @ 4% | 20,78,204 |
| | **5,40,33,305** |
| Less : TDS & TCS | 1,11,97,908 |
| | 4,28,35,397 |
| Less: Advance Tax | 6,00,00,000 |
| **Refund Due** | **(1,71,64,600)** |

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
***(Formerly R K Steel Manufacturing Co P Ltd)***
**BALANCE SHEET AS ON 31St MARCH 2024**

| Particulars | Note | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **(1) Shareholder's Funds** | | | |
| (a) Share Capital | 1 | 2,35,25,300 | 2,35,25,300 |
| (b) Reserves and Surplus | 2 | 1,08,38,53,376 | 85,96,45,007 |
| **(2) Share Application Money Pending Allotment** | | | |
| **(3) Non-Current Liabilities** | | | |
| (a) Long-term borrowings | 3 | 63,65,40,617 | 69,44,69,604 |
| (b)Deffered Tax Liabilitie(Net) | 4 | 2,54,40,259 | - |
| (c) Other Long Term Liability | 5 | 1,37,37,333 | - |
| **(4) Current Liabilities** | | | |
| (a) Short-term borrowings | 6 | 2,09,45,83,781 | 1,63,80,12,486 |
| (b) Trade payables | 7 | 8,99,61,428 | 27,78,06,698 |
| (c) Other current liabilities | 8 | 4,21,46,673 | 4,41,28,099 |
| (d) Short-term provisions | 9 | 6,14,39,912 | 7,24,84,340 |
| **Total** | | **4,07,12,28,679** | **3,61,00,71,534** |
| **II.Assets** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment and Intangible assets | | | |
| i. Property, Plant and Equipment | 10 | 81,48,49,972 | 47,45,57,858 |
| ii. Intangible Assets | | | |
| iii. Capital work in progress | 10 | 5,94,52,549 | 1,38,300 |
| iv. Intangible assets under development | | | |
| (b) Non-current Investments | 11 | - | 35,08,332 |
| (c) Long term loans and advances | 12 | 4,47,40,036 | 3,54,88,773 |
| (d) Defered Tax Asset | 13 | - | 11,861 |
| **(2) Current assets** | | | |
| (a) Inventories | 14 | 1,46,33,60,809 | 1,29,97,68,560 |
| (b) Trade receivables | 15 | 94,44,51,452 | 81,27,67,686 |
| (c) Cash and cash equivalents | 16 | 53,11,28,217 | 25,50,73,025 |
| (d) Short-term loans and advances | 17 | 5,30,70,086 | 61,62,77,486 |
| (e) Other current assets | 18 | 16,01,75,558 | 11,24,79,653 |
| **Total** | | **4,07,12,28,679** | **3,61,00,71,533** |
| Notes to Accounts | 27 | | |

accompanying Notes forming part of the Financial Stateme

As per our Report of even date
**For R.R. More & Co**
**Chartered Accoutants**
**FR. No.002133S**

R.R. MORE & COMPANY D4 Rams Apts, 21, R.A. Road, Chennai-84. FR No: 002133S Chartered Accountants

**CA Raja ram More**
**Proprietor**
**M.No.21233**

**TAX AUDIT UDIN :24021233BKBHPI4984**
**STAT UDIN:24021233BKBHPJ7015**
**Date:05.09.2024**
**Place: Chennai**

For and on behalf of the board
**R K Steel Manufacturing Company Ltd**
**CIN: U27106TN2006PLC059519**

**Pramod Kumar Bhalotia**
**Managing Director**
**DIN :01115735**

**Abhishek Bhalotia**
**Director**
**DIN : 07624387**

**Sanjay Bhalotia**
**Chief Financial Officer**

**CS S.N. Satiya Priya**
**M.No.A16699**

**R.K. STEEL MANUFACTURING COMPANY LIMITED**

*(Formerly R K Steel Manufacturing Co P Ltd)*

**PROFIT AND LOSS STATEMENT AS 31ST MARCH 2024**

| Particulars | Note | 31st MAR.2024 Total | 31st MAR.2023 Total |
|---|---|---|---|
| **A.CONTINUING OPERATIONS** | | | |
| I. Revenue from operations | 19 | 10,22,18,35,324 | 8,57,79,27,621 |
| II. Other Income | 20 | 4,55,16,089 | 2,00,24,056 |
| III. Total Revenue (I +II) | | 10,26,73,51,413 | 8,59,79,51,678 |
| **IV. Expenses:** | | | |
| (a)Cost of Materials Consumed | 21 | 9,82,82,30,200 | 8,03,60,64,238 |
| (c )Changes in Inventories | 22 | (28,40,32,811) | (1,13,47,698) |
| (d)Employee benefit expense | 23 | 4,77,29,455 | 2,42,08,092 |
| (e)Financial costs | 24 | 20,93,68,751 | 13,50,82,565 |
| (f)Depreciation and amortization expense | 25 | 8,01,50,634 | 6,48,28,951 |
| (g)Other expenses | 26 | 7,76,81,332 | 7,33,06,929 |
| Total Expenses | | 9,95,91,27,560 | 8,32,21,43,077 |
| V. Profit before exceptional and extraordinary items and tax (IV-V) | | 30,82,23,853 | 27,58,08,600 |
| VI. Exceptional & Extraordinary items | | 45,30,060 | |
| VII. Profit before tax | | 30,36,93,793 | 27,58,08,600 |
| VIII . Tax expense: | | | |
| (1) Current tax | | 5,40,33,305 | 7,24,84,340 |
| (2) Deffered Tax | | (2,54,52,120) | (10,73,324) |
| (3) Previous year Tax | | - | 43,920 |
| IX. Profit(Loss) from the perid from continuing operations (VII-VIII) | | 22,42,08,368 | 20,22,07,016 |
| X. Profit/(Loss) for the period | | 22,42,08,368 | 20,22,07,016 |
| XI.Total Comprehensive Income for the period | | 22,42,08,368 | 20,22,07,016 |
| | | | |
| XII. Earning per equity share: | | | |
| (1) Basic | | 95 | 86 |
| (2) Diluted | | 95 | 86 |
| Notes to Accounts | 27 | | |

See accompanying Notes forming part of the Financial Statements.

As per our Report of even date

For R.R. More & Co

Chartered Accoutants

FR. No.002133S

R.R. MORE & COMPANY D4 Rams Apts, 21, R.A. Road, Chennai-84. FR No: 002133S Chartered Accountants

CA Raja ram More

Proprietor

M.No.21233

TAX AUDIT UDIN :24021233BKBHPI4984

STAT UDIN:24021233BKBHPJ7015

Date:05.09.2024

Place: Chennai

For and on behalf of the board

R K Steel Manufacturing Company Ltd

CIN: U27106TN2006PLC059519

Pramod Kumar Bhalotia

Managing Director

DIN :01115735

Abhishek Bhalotia

Director

DIN : 07624387

Sanjay Bhalotia

Chief Financial Officer

CS S.N. Satiya Priya

M.No.A16699

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**(Formerly R K Steel Manufacturing Co P Ltd)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED**

| Particulars | 31/03/2024 AMOUNT | | 31/03/2023 AMOUNT | |
|---|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Net profit Before Tax & Extra ordinary items | 30,82,23,853 | | 27,58,08,600 | |
| Adjustments for: | | | | |
| Depreciation | 8,01,50,634 | | 6,48,28,951 | |
| Finance Charges | 20,93,68,751 | 59,77,43,238 | 13,50,82,565 | 47,57,20,117 |
| Operating Profit before Working Capital Changes | | 59,77,43,238 | | 47,57,20,117 |
| Adjustment for working capital changes: | | | | |
| Change in Inventories | (16,35,92,249) | | (51,10,40,893) | |
| Change in Trade receivables | (13,16,83,766) | | 9,66,02,144 | |
| Change in Short-term loans and advances | 56,32,07,400 | | (44,75,71,053) | |
| Change in Other current assets | (4,76,95,906) | | (2,54,71,884) | |
| Change in Short-term borrowings | 45,65,71,295 | | 87,07,02,009 | |
| Change in Trade payables | (18,78,45,270) | | (86,34,290) | |
| Change in Other current liabilities | (19,81,427) | | 1,38,26,894 | |
| Change in Non Current Investment | 35,08,332 | | | |
| Change in Short-term provisions | (1,10,44,428) | 47,94,43,982 | 63,57,504 | (52,29,569) |
| Net cash from Operating Activities | | 1,07,71,87,220 | | 47,04,90,548 |
| Less: Tax Paid | | (5,40,33,305) | | (7,25,28,260) |
| Cash Flow From Operating Activities -(A) | | 1,02,31,53,915 | | 39,79,62,288 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Change in Long term Loans and Advances | (92,51,263) | | (1,24,10,873) | |
| Sale of Fixed assets | 3,80,000 | | 2,97,66,303 | |
| Purchase of Fixed Assets | (48,01,36,997) | | (19,08,79,361) | |
| Net Cash used in / from Investing Activities - (B) | | (48,90,08,259) | | (17,35,23,931) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Finance Charges | (20,93,68,751) | | (13,50,82,565) | |
| Rights issue of Shares during the year (295000@FV-Rs.10) at a premium of Rs.279 | - | | 8,52,55,000 | |
| Change in Long Term Borrowings | (5,79,28,986) | | 4,52,20,163 | |
| Net cash used / generated in Financing Activities - (C) | | (26,72,97,737) | | (46,07,402) |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | | 26,68,47,919 | | 21,98,30,955 |
| Opening Cash and Cash Equivalents as at 1st April 2023 | | 25,50,73,025 | | 3,52,42,070 |
| Closing Cash and Cash Equivalents as at 31st March 2024 | | 53,11,28,217 | | 25,50,73,025 |

See accompanying Notes forming part of the Financial Statements.

As per our Report of even date
For R.R. More & Co
Chartered Accoutants
FR. No.002133S

R.R. MORE & COMPANY D4 Rams Apts, 21, R.A. Road, Chennai-84. FR No: 002133S Chartered Accountants

CA Raja Ram More
Proprietor
M.No.21233

TAX AUDIT UDIN :24021233BKBHPI4984
STAT UDIN:24021233BKBHPJ7015
Date:05/09/2024
Place: Chennai

For and on behalf of the board
R K Steel Manufacturing Company Ltd
CIN: U27106TN2006PLC059519

Pramod Kumar Bhalotia
Managing Director
DIN :01115735

Abhishek Bhalotia
Director
DIN : 07624387

Sanjay Bhalotia
Chief Financial Officer

CS S.N. Satya Priya
M.No.A16699

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
*(Formerly R K Steel Manufacturing Co P Ltd)*

**Notes Forming Part of the Balance Sheet**

**Note : 1 Share Capital**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | **Authorized Share Capital:**<br>2,50,00,000 Equity Shares of Rs. 10/- each.<br>Previously 30,00,000 Equity Shares of Rs. 10/- each. | 25,00,00,000 | 3,00,00,000 |
| | | 25,00,00,000 | 3,00,00,000 |
| 2 | **Issued , Subscribed & Paid up capital**<br>23,52,530 Equity Shares of Rupees 10.00 each<br>Previously (2057530 Equity Shares of Rs. 10/- each, Fully Paid Up)<br>Add: Rights -Equity Shares during the year (295000@FV-Rs.10) at a premium of Rs.279 | 2,35,25,300 | 2,05,75,300<br>29,50,000 |
| | Total | 2,35,25,300 | 2,35,25,300 |

**Note : 2 Reserve & Surplus**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Securities Premium Reserve I<br>Opening Securities Premium<br>Add:Share issued at Premium of Rs.279 during the year (2,95,000 share at premium of Rs Rs.279 per share) | 18,46,12,700 | 10,23,07,700<br>8,23,05,000 |
| | | 18,46,12,700 | 18,46,12,700 |
| 2 | Opening Balance<br>ADD: Net Profit For the Year<br>Surplus (Profit & Loss Account) II | 67,50,32,308<br>22,42,08,368<br>89,92,40,676 | 47,28,25,292<br>20,22,07,016<br>67,50,32,308 |
| | Total | 1,08,38,53,376 | 85,96,45,008 |

**Note : 3 Long Term Borrowings**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Secured Loans | 50,43,79,105 | 62,19,50,386 |
| 2 | Loans From Directors | 5,96,61,512 | 19,218 |
| 3 | Loans From body Corporates and Others | 7,25,00,000 | 7,25,00,000 |
| | Total | 63,65,40,617 | 69,44,69,604 |

**Note : 4 Deferred Tax Liabilities**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Opening Deferred Tax Liabilities : | (11,861) | - |
| 2 | Adjusted during the year | 2,54,52,120 | - |
| | Total | 2,54,40,259 | - |

**Note : 5 Long Term Liability (Security Deposit from customers)**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Security Deposit from Customers | 1,37,37,333 | - |
| | Total | 1,37,37,333 | - |

**Note : 6 Short Term Borrowings**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Loan Repayable on Demand | 2,09,45,83,781 | 1,63,80,12,486 |
| 2 | Foreign Currency Short term Loans | | |
| | Total | 2,09,45,83,781 | 1,63,80,12,486 |

R.R. MORE & COMPANY
Rams Apts, 21, R.A. Road, Chennai-84.
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Chartered Accountants

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
*(Formerly R K Steel Manufacturing Co P Ltd)*

**Note : 7 Trades Payable**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| A) | Dues to Micro Enterprises and Small Enterprises | | - |
| B) | Dues to creditors other than Micro Enterprises and Small Enterprises | | |
| a) | **For Goods** | | |
| i) | **Due to related parties** | | - |
| ii) | **Due to others** | | |
| 1 | Creditors for Raw Materials | 4,28,08,125 | 20,74,42,590 |
| 2 | Creditors for StoreConsumables | 1,25,96,084 | 1,07,22,575 |
| 3 | Creditors for Fixed Asset | 2,12,73,992 | 4,18,03,914 |
| b) | **For Expenses** | | |
| i) | **Due to related parties** | | |
| ii) | **Due to others** | | |
| 1 | Creditors for others | 63,27,335 | 68,76,548 |
| 2 | Creditors for Transport and other expenses | 69,55,893 | 1,09,61,070 |
| | **Total** | **8,99,61,428** | **27,78,06,698** |

**Trades Payable ageing schedule-**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| A) | **MSME** | | - |
| B) | **Others** | | |
| 1 | Due Less than 1 Year | 8,99,61,428 | 9,69,66,551 |
| C) | **Disputed dues to MSME** | | - |
| D) | **Disputed dues to Others** | | - |
| 1 | Due Less than 1 Year | | - |
| 2 | Due Between 1 Year to 2 Years | - | 14,61,38,369 |
| 3 | Due Between 2 Year to 3 Years | | - |
| 4 | Due More than 3 Years | - | 3,47,01,778 |
| | **TOTAL** | **8,99,61,428** | **27,78,06,698** |

**Note : 8 Other Current Liabilities**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Advance Received from Customers:- | 2,48,73,698 | 1,08,77,026 |
| 2 | Statutory Dues: | | |
| | TDS Payables | 29,91,309 | 17,95,751 |
| | TCS Payable | 7,18,084 | 1,28,883 |
| | ESI Payables | 8,872 | 3,416 |
| | EPF Payables | 1,06,879 | 70,552 |
| 3 | Audit Fees Payables | 4,00,000 | 2,70,000 |
| 4 | Commission & Conveyance Payables | 6,06,252 | 2,56,841 |
| 5 | Rent Payable | 5,32,210 | 1,12,500 |
| 6 | Outstanding Expenses | 62,42,298 | 1,07,88,671 |
| 7 | Interest Payable | - | 1,43,50,371 |
| 8 | Incentive Payable | 4,69,900 | 5,54,300 |
| 9 | Salary Payables | 51,62,977 | 49,11,340 |
| 10 | TDS Receivable- Sundry Parties (26AS) | 34,194 | 8,451 |
| | **Total** | **4,21,46,673** | **4,41,28,102** |

**Note : 9 Short Term Provisions**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Provision For Taxations | 5,40,33,305 | 7,24,84,340 |
| 2 | Provision For Gratuity | 74,06,607 | |
| | **Total** | **6,14,39,912** | **7,24,84,340** |

R.R. MORE & COMPANY
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FR No: 002133S
Chartered Accountants

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**(Formerly R K Steel Manufacturing Co P Ltd)**

**Schedule 10**

| Particulars | Rate | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | AS ON 01/04/2023 | ADDITIONS | DELETIONS | AS ON 31/03/2024 | AS ON 01/04/2023 | DEP ON OPENING | DEP ON ADDITION | DELETIONS | AS ON 31/03/2024 | 31/03/2024 | 31/03/2023 |
| Factory Building | 9.50% | 9,70,79,872 | - | | 9,70,79,872 | 2,95,37,839 | | 64,16,493 | | 3,59,54,332 | 6,11,25,540 | 6,75,42,033 |
| Electrical Installation | 25.89% | 3,54,74,035 | - | | 3,54,74,035 | 2,49,41,756 | | 27,26,807 | | 2,76,68,563 | 78,05,472 | 1,05,32,280 |
| Factory equipments-Lab | 45.07% | 10,42,644 | - | | 10,42,644 | 9,97,653 | | 20,277 | | 10,17,930 | 24,714 | 44,990 |
| Office equipments | 45.07% | 28,37,959 | 27,500 | | 28,65,459 | 22,15,417 | | 2,91,785 | | 25,07,202 | 3,58,257 | 6,22,542 |
| Office Cum Gues House | 9.50% | | 11,49,52,310 | | 11,49,52,310 | | | - | | - | 11,49,52,310 | |
| Plant & Machinery | 18.10% | 39,82,33,646 | 1,20,08,668 | | 41,02,42,314 | 13,61,22,861 | | 4,90,27,675 | | 18,51,50,536 | 22,50,91,778 | 26,21,10,785 |
| Vehicles | 31.23% | 2,04,11,273 | 24,78,873 | 10,12,329 | 2,18,77,817 | 1,48,24,240 | | 20,56,552 | (6,32,329) | 1,62,48,463 | 56,29,354 | 55,87,034 |
| Computer | 63.16% | 14,88,020 | 1,04,833 | | 15,92,853 | 10,10,404 | | 3,12,384 | | 13,22,788 | 2,70,066 | 4,77,617 |
| Software | 63.16% | 6,43,097 | 8,32,785 | | 14,75,882 | - | | 8,07,028 | | 8,07,028 | 6,68,854 | 6,43,097 |
| Furniture & Fixture | 25.89% | 4,57,249 | - | | 4,57,249 | 1,64,166 | | 75,879 | | 2,40,045 | 2,17,204 | 2,93,082 |
| Electrical Installation -2 | 25.89% | 33,00,000 | - | | 33,00,000 | 8,54,370 | | 6,33,174 | | 14,87,544 | 18,12,456 | 24,45,630 |
| Other Equipments | 25.89% | | 1,00,000 | | 1,00,000 | | | 9,292 | | 9,292 | 90,708 | - |
| Plant & Machinery | 18.10% | 4,43,11,217 | - | | 4,43,11,217 | 80,20,330 | | 65,68,650 | | 1,45,88,980 | 2,97,22,237 | 3,62,90,887 |
| Plant & Machinery-ETP | 18.10% | 2,29,74,778 | 18,71,041 | | 2,48,45,819 | 7,81,524 | | 26,69,774 | | 34,51,298 | 2,13,94,521 | 2,21,93,255 |
| Solar Plant | 4.00% | | 28,84,46,737 | | 28,84,46,737 | | | 85,34,862 | | 85,34,862 | 27,99,11,875 | |
| Land at Chinnapattu - 3/4acres | 0.00% | 21,08,660 | - | | 21,08,660 | | | - | | - | 21,08,660 | 21,08,660 |
| Land at Karani village | 0.00% | 15,81,210 | - | | 15,81,210 | | | - | | - | 15,81,210 | 15,81,210 |
| Land at Orrikottai Village | 0.00% | 69,98,315 | - | | 69,98,315 | | | - | | - | 69,98,315 | 69,98,315 |
| Land at Pichatur | 0.00% | 73,11,700 | | | 73,11,700 | | | - | | - | 73,11,700 | 73,11,700 |
| Leasehold Lands | 0.00% | 4,77,74,742 | | | 4,77,74,742 | | | - | | - | 4,77,74,742 | 4,77,74,742 |
| **TOTAL** | | **69,40,28,417** | **42,08,22,747** | **10,12,329** | **1,11,38,38,835** | **21,94,70,560** | | **8,01,50,634** | **(6,32,329)** | **29,89,88,865** | **81,48,49,970** | **47,45,57,858** |

**Capital WIP** (1) -

| Particulars | Rate | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | AS ON 01/04/2023 | ADDITIONS | DELETIONS | AS ON 31/03/2024 | AS ON 01/04/2023 | DEP ON OPENING | DEP ON ADDITION | DELETIONS | AS ON 31/03/2024 | 31/03/2024 | 31/03/2023 |
| Factory Building ( WIP) | 9.50% | | 1,85,38,640 | | 1,85,38,640 | | | - | | | 1,85,38,640 | - |
| Electrical Installation (WIP) | 25.89% | | 1,10,23,102 | | 1,10,23,102 | | | - | | | 1,10,23,102 | - |
| Plant & Machinery- WIP | 18.10% | | 2,98,90,807 | | 2,98,90,807 | | | - | | | 2,98,90,807 | - |
| Solar Plant WIP | | 1,38,300 | | 1,38,300 | | | | | | | - | 1,38,300 |
| **TOTAL (WIP)** | | **1,38,300** | **5,94,52,549** | **1,38,300** | **5,94,52,549** | | | | | | **5,94,52,549** | **1,38,300** |
| | | **69,41,66,717** | **48,02,75,297** | **11,50,629** | **1,17,32,91,385** | **21,94,70,560** | | **8,01,50,634** | **(6,32,329)** | **29,89,88,865** | **87,43,02,520** | **47,46,96,158** |

## R.K. STEEL MANUFACTURING COMPANY LIMITED

### (Formerly R K Steel Manufacturing Co P Ltd)

### CALCULATION OF DEPRECIATION FOR INCOME TAX RULES AS ON 31ST MAR 2024

| | | WDV AS ON 31.03.2023 | ADDITIONS | ADDITIONS | DELETIONS | DEPRECIATION | WDV AS ON |
|---|---|---|---|---|---|---|---|
| Land at Karani village | 0% | 15,81,210 | - | - | - | - | 15,81,210 |
| Land at Chinnapattu 3/4acres | 0% | 21,08,660 | - | - | - | - | 21,08,660 |
| Land at Orrikottai Village | 0% | 69,98,315 | - | - | - | - | 69,98,315 |
| Land at Pichatur | 0% | 73,11,700 | - | - | - | - | 73,11,700 |
| Lease Hold Land at SIPCOT | 0% | 4,77,74,742 | - | - | - | - | 4,77,74,742 |
| Office cum Guest House | 0% | | | 11,49,52,310 | | | 11,49,52,310 |
| | | | | | | | |
| Factory Building | 10% | 6,30,89,722 | - | - | - | 63,08,972 | 5,67,80,750 |
| Furniture & Fixture | 10% | 4,26,357 | - | - | - | 42,636 | 3,83,721 |
| | | | | | | | |
| Plant & Machinery | 15% | 29,13,79,973 | 1,09,65,565 | 24,34,128 | - | 4,55,34,390 | 25,92,45,275 |
| Slitting Line 2 | 15% | 3,00,218 | - | - | - | 45,033 | 2,55,185 |
| Electrical Installation | 15% | 2,20,15,125 | - | - | - | 33,02,269 | 1,87,12,856 |
| Office equipments | 15% | 18,64,428 | 27,500 | - | - | 2,83,789 | 16,08,138 |
| Factory equipments | 15% | 9,95,897 | 5,70,517 | 9,500 | - | 2,35,675 | 13,40,239 |
| Vehicles | 15% | 1,04,78,697 | 24,78,873 | - | 3,80,000 | 18,86,635 | 1,06,90,934 |
| | | | | | | - | |
| Computer | 40% | 8,86,229 | 9,890 | 94,943 | - | 3,77,436 | 6,13,626 |
| Software | 40% | 5,14,478 | 6,82,785 | 1,50,000 | - | 5,08,905 | 8,38,358 |
| ETP | 40% | 1,83,79,822 | - | - | - | 73,51,929 | 1,10,27,893 |
| Solar Plant | 40% | 1,38,300 | 28,84,46,737 | - | - | 11,54,34,015 | 17,31,51,022 |
| **Total** | | **47,62,43,871** | **30,31,81,866** | **11,76,40,881** | **3,80,000** | **18,13,11,684** | **71,53,74,935** |

**Capital WIP**

| | | WDV AS ON 31.03.2023 | ADDITIONS | ADDITIONS | DELETIONS | DEPRECIATION | WDV AS ON |
|---|---|---|---|---|---|---|---|
| Factory Building WIP | | | 1,64,36,404 | 21,02,235 | | | 1,85,38,640 |
| Plant & Machinery WIP | | | 18,19,605 | 2,80,71,202 | | | 2,98,90,807 |
| Electrical Installation WIP | | | | 1,10,23,102 | | | 1,10,23,102 |
| **Total (WIP)** | | - | **1,82,56,009** | **4,11,96,540** | - | - | **5,94,52,549** |

R.R. MORE & COMPANY
D4 Rams Apts. 21, R.A. Road, Chennai-84. FR No: 002133S
Chartered Accountants

### COMPUTATION OF DEFERRED TAX FY 2023-2024

| | | |
|---|---|---|
| OPENING DEFFERED TAX | | 11,861.07 |
| Depreciation as per companies act | 8,01,50,634.00 | |
| Depreciation as per Income tax act | 18,13,11,683.74 | |
| Timimg difference resulting in DTA | (10,11,61,049.74) | |
| DTA / (DTL) TO BE CREATED - 25.16% | | (2,54,52,120.12) |
| Closing Deferred Tax balance | DTL | (2,54,40,259.05) |

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
***(Formerly R K Steel Manufacturing Co P Ltd)***

**Notes Forming Part of the Balance Sheet**

**Note : 11 Non Current Investments**

| S.No | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| | | Total | Total |
| 1 | **Investments In Unquoted Share:**<br>Investment in Shares(Surya dev alloys and power pvt Ltd) | - | 35,08,332 |
| | **Total** | - | **35,08,332** |

**Note : 12 Long Term Loans and Advances**

| S.No | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| | | Total | Total |
| 1 | **Security Deposit** | | |
| | Unsecured - Considered Good | 4,47,40,036 | 3,54,88,773 |
| | **Total** | **4,47,40,036** | **3,54,88,773** |

**Note : 13 Defered Tax Asset**

| S.No | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| | | Total | Total |
| 1 | Opening Deferred Tax Asset | 11,861 | 10,85,185 |
| 2 | Defered Tax Asset | (11,861) | (10,73,324) |
| | **Total** | - | **11,861** |

**Note : 14 Inventories**

| S.No | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| | | Total | Total |
| 1 | Raw Materials | 81,51,12,978 | 95,14,90,708 |
| 2 | Finished Goods | 61,32,55,102 | 32,92,22,291 |
| 3 | Stores & Consumables | 3,49,92,730 | 1,90,55,561 |
| | **Total** | **1,46,33,60,809** | **1,29,97,68,560** |

R.R. MORE & COMPANY
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Chartered Accountants

**R.K. STEEL MANUFACTURING COMPANY LIMITED**

***(Formerly R K Steel Manufacturing Co P Ltd)***

**Note : 15 Trade Recievables**

| S.No | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| | | Total | Total |
| 1 | **Outstanding for Less than six months** | | |
| | a) Secured, Considered Good : | | |
| | b) Unsecured - Considered Good | 92,58,82,082 | 80,43,65,670 |
| | c) Doubtful | | |
| 2 | **Outstanding Between 1 year to six months** | | |
| | a) Secured, Considered Good : | | |
| | b) Unsecured, Considered Good : | 1,85,69,370 | 84,02,016 |
| | c) Doubtful | | |
| 3 | **Outstanding Between 1 year to 2 year** | | |
| | a) Secured, Considered Good : | | |
| | b) Unsecured, Considered Good : | | - |
| | c) Doubtful | | |
| 4 | **Outstanding Between 2 year to 3 year** | | |
| | a) Secured, Considered Good : | | |
| | b) Unsecured, Considered Good : | | - |
| | c) Doubtful | | |
| 5 | **Outstanding More than 3 Years** | | |
| | a) Secured, Considered Good : | | |
| | b) Unsecured, Considered Good : | | - |
| | c) Doubtful | | |
| | **Total** | **94,44,51,452** | **81,27,67,686** |

R.G. MODI & COMPANY
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Chartered Accountants

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
*(Formerly R K Steel Manufacturing Co P Ltd)*

**Note : 16 Cash & Cash Equivalent**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | **Cash-in-Hand** | | |
| a) | Cash Balance | 27,558 | 3,197 |
| b) | Petty Cash Balance | 799 | 8,895 |
| | **Sub Total (A)** | **28,357** | **12,092** |
| 2 | **Bank Balance** | | |
| a) | City Union Bank - 53412 | - | 1 |
| b) | Margin Money on BG FD | 7,44,73,600 | 4,38,45,026 |
| c) | Fixed Deposits | 45,66,26,260 | 21,12,15,906 |
| | **Sub Total (B)** | **53,10,99,860** | **25,50,60,933** |
| | **Total [ A + B + C ]** | **53,11,28,217** | **25,50,73,025** |

**Note :17 Short Terms Loans and Advances**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Advance to suppliers and others | 3,24,70,218 | 31,39,18,169 |
| 2 | Advance for Fixed Assets | 2,05,99,868 | 30,23,59,317 |
| | **Total** | **5,30,70,086** | **61,62,77,486** |

**Note : 18 Other Current Assets**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 2 | Advance Tax Paid (AY2023-24) | - | 3,35,00,000 |
| 3 | Advance Tax Paid (AY2024-25) | 6,00,00,000 | - |
| 4 | TCS Receivable (TCS on Purchase 194Q) | 4,01,744 | 13,39,393 |
| 5 | TDS Receivable | 1,07,96,164 | 77,68,424 |
| | TDS Receivable C/F to FY24-25 | 28,848 | |
| 6 | TDS Receivable from GST | 1,59,146 | - |
| 7 | GST Input tax Credits | 7,10,49,213 | 6,98,21,320 |
| 8 | Rebate Receivable | 1,27,35,822 | - |
| 9 | Interest Receivable From Deposits | 38,35,737 | - |
| 10 | Income Tax refund receivable | 28,235 | 28,235 |
| 11 | Accured interest on FD CUB | - | 22,281 |
| 12 | GST Tax & fees | 5,40,650 | - |
| 13 | IPO Expenses | 6,00,000 | |
| | **Total** | **16,01,75,558** | **11,24,79,653** |

R.R. MORE & COMPANY
D4 Rams Apts. 21, R.A. Road. Chennai-84. FR No: 002133S
Chartered Accountants

## R.K. STEEL MANUFACTURING COMPANY LIMITED

*(Formerly R K Steel Manufacturing Co P Ltd)*

**Notes Forming Part of the Profit & Loss Account**

### Note : 19 Revenue From Operations

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Sales | | |
| | - Domestic | 10,21,75,08,161 | 8,55,29,13,646 |
| | - Foreign | 43,27,163 | 2,50,13,975 |
| | **Total** | **10,22,18,35,324** | **8,57,79,27,621** |

### Note : 20 Other Income

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Interest on FDR | 2,32,29,669 | 70,78,164 |
| 2 | Interest On EB Deposit | 10,34,052 | 5,18,461 |
| 3 | Other Income - Discount Received | 1,81,157 | 27,300 |
| 4 | Duty Drawback | 64,789 | 5,16,641 |
| 5 | Exchange fluctuation | 2,10,06,422 | 1,13,93,490 |
| 6 | Agricutural Income | | 4,90,000 |
| | **Total** | **4,55,16,089** | **2,00,24,056** |

### Note : 21 Cost of Material Consumed

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Opening Stock of Raw Material | 95,14,90,708 | 46,00,73,324 |
| 2 | Opening stock of Consumables | 1,90,55,561 | 1,07,79,750 |
| 3 | Purchases - Raw Materials | 8,79,52,50,229 | 7,61,89,18,360 |
| 4 | Less: Branch transfer | - | - |
| 5 | Purchases - Consumable Stores | 60,37,87,261 | 68,20,77,466 |
| 6 | Frieght Inward | 11,69,25,579 | 5,45,40,088 |
| 7 | Testing charges | 15,100 | 73,384 |
| 8 | Weighment Charges( inward) | 5,81,776 | 81,390 |
| 9 | Factory Maintenance | **1,37,14,049** | **75,32,086** |
| 10 | Manufacturing Expenses | **17,74,50,106** | **17,22,40,219** |
| 11 | Packing and Forwarding | 65,537 | 2,35,819 |
| 12 | Wharfage Charges | - | 58,620 |
| | | **10,67,83,35,907** | **9,00,66,10,507** |
| 13 | Less : Closing Stock of RM at factory | 81,51,12,978 | 95,14,90,708 |
| | | | - |
| 14 | Less : Closing Stock of Consumables | 3,49,92,730 | 1,90,55,561 |
| | **Total** | **9,82,82,30,200** | **8,03,60,64,238** |

### Note : 22 Change in Inventories

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Opening Stock Of Finished goods | 32,92,22,291 | 31,78,74,593 |
| 2 | & Scrap& Defective | 61,32,55,102 | 32,92,22,291 |
| | **Total** | **(28,40,32,811)** | **(1,13,47,698)** |

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**Note : 23 Employment Benefit Expenses**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Salary & Wages | 4,47,18,910 | 2,18,57,668 |
| 1 | Staff & labour welfare | 30,10,545 | 23,50,424 |
| | **Total** | **4,77,29,455** | **2,42,08,092** |

**Note : 24 Financial Cost**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Interest Payments | 6,56,07,347 | 43,12,358 |
| 2 | Bank Interest & Charges | 13,85,49,451 | 13,07,26,607 |
| 3 | Syndication Fees ( Processing Charges) | 52,11,952 | 43,600 |
| | **Total** | **20,93,68,751** | **13,50,82,565** |

**Note : 25 Depreciation & Amortised Cost**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Depreciation | 8,01,50,634 | 6,48,28,951 |
| | **Total** | **8,01,50,634** | **6,48,28,951** |

**Details of Factory Expenses**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | R & M Crane / Others | 11,30,926 | 14,26,246 |
| 3 | R & M Factory | 57,99,520 | 38,27,641 |
| 4 | R & M Machinery | 67,83,603 | 22,78,198 |
| | **Total** | **1,37,14,049** | **75,32,086** |

**Details of Manufacturing Expenses**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Electricity Charges | 7,91,14,968 | 7,40,66,608 |
| 2 | Electricity Charges-Private | 2,77,790 | - |
| 3 | Labour Charges | 5,86,60,556 | 5,52,46,895 |
| 4 | Loading & Unloading/Halting Charges | 40,06,810 | 29,60,713 |
| 5 | Water Charges | 51,78,922 | 16,23,652 |
| 6 | Salary, Wages & Bonus | 3,02,11,060 | 3,83,42,352 |
| | **Total** | **17,74,50,106** | **17,22,40,219** |

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**Note : 26 Other Expenses**

| S.No | Particulars | 31.03.2024 Total | 31.03.2023 Total |
|---|---|---|---|
| 1 | Advertisement | 69,73,685 | 97,00,934 |
| 2 | Amenity Charges | 1,67,440 | 1,42,400 |
| 3 | Audit fees | 4,29,500 | 3,00,000 |
| 4 | BIS Fee | 2,52,000 | 2,39,000 |
| 5 | Commission | 38,84,563 | 69,08,314 |
| 6 | Conveyance Expenses | 11,32,494 | 7,83,758 |
| 7 | CSR Expenses | 30,80,000 | 18,00,000 |
| 8 | Crane Charges | 3,00,296 | 9,55,454 |
| 9 | Cutting Charges | 4,39,532 | |
| 10 | Delivery charges | 6,507 | 57,231 |
| 11 | Director Remuneration | 79,90,000 | 70,80,000 |
| 12 | Discount | - | 95,64,346 |
| 13 | Electricity -Office | 1,66,654 | 1,88,024 |
| 14 | E filing, ISO Expenses etc | | 3,599 |
| 15 | Freight outward | 2,78,39,880 | 2,02,39,618 |
| 16 | General Expenses | 21,009 | 60,945 |
| 17 | Insurance Charges | 19,41,730 | 15,72,114 |
| 18 | Interest on GST/TDS/IT | | 29,917 |
| 19 | Legal Expenses | 1,22,478 | 12,500 |
| 20 | Pooja Exp | 67,679 | 62,214 |
| 21 | Courier Expenses | 17,956 | 49,108 |
| 22 | Printing & Stationery | 3,78,913 | 3,68,834 |
| 23 | Professional Charges | 5,26,370 | 4,92,400 |
| 24 | Rates & Taxes | 4,35,967 | 4,92,099 |
| 25 | Rent A/c | 74,52,500 | 60,67,500 |
| 26 | ROC filing fees | 16,84,461 | 27,488 |
| 27 | Rounding Off | 5,328 | - |
| 28 | Sales Promotion Exp | 16,68,808 | 1,69,074 |
| 29 | Security Charges | 14,03,149 | 15,88,189 |
| 30 | Pretreatment & CO Processing ETP Sludge | 19,04,008 | 4,18,136 |
| 31 | Sipcot Annual Maintenance Charges | 8,33,928 | 6,56,395 |
| 32 | Subscription & membership | 2,08,768 | 3,14,337 |
| 33 | Telephone & Internet Expenses | 1,90,195 | 2,53,866 |
| 34 | Tender fee | 500 | - |
| 35 | TNPCB renewal charges | 4,16,350 | 2,11,470 |
| 38 | Gratuity Employee Expenses | 28,76,547 | |
| 39 | Tour&Travelling Exp | 28,62,137 | 24,97,665 |
| | **Total** | **7,76,81,332** | **7,33,06,929** |

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**R.K. STEEL MANUFACTURING COMPANY LIMITED**
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**CHENNAI**
**NOTE-27-NOTES TO FINANCIAL STATEMENTS**

| S.NO | Particulars |
|---|---|

**1 Corporate information**

R K Steel Manufacturing Co P Ltd was incorporated on April 17, 2006 with Registrar of Companies (ROC), under the provisions of Companies Act 1956. Thereafter, the name of our Company was changed from 'R K Steel Manufacturing Co Pvt Ltd' to 'R.K Manufacturing Company Limited' upon conversion of the Company from Private to Public Company pursuant to a special resolution. The Company is a public company domiciled in India and incorporated under provisions of the Companies Act, 2013. The Company is primarily engaged in business of Manufacturing of Steel Pipes at NN5, Sipcot Indistrial Growth Center, Ignur Village, Erode, Perundurai- 638052.

**2. Significant accounting policies.**

**a. Basis of accounting and preparation of Financial Statements :**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared on accrual basis under the historical cost convention. The company has prepared these financial statements to comply in all material respects with the accounting standard notified U/s 133 of the Companies Act 2013, read together with paragraph 7 of the Companies(Accounts) Rule 2014 and other accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous period.

Bonus Payment and Leave Encashment to employees, are accounted for on Mercantile Basis.

**b. Use of estimates**

The preparation of Financial statements requires estimates & Assumptions, whereever necessary, to be made that effect reported amount of assets & liabilities and contingent liabilities as on the date of financial statements and the amounts of revenue and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c. Inventories**

| | |
|---|---|
| Raw Material(Steel Coils) | At lower of cost or net realizable value |
| Finished Goods(Steel pipes) | At lower of cost or net realizable value |
| Stores and Consumables | At lower of cost or net realizable value |

As certified by management under Sr.No.5 of Notes to Financial Statement

**d. Tangible & Intangible fixed assets**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any.Direct costs are capitalised until the assets are ready to be put to use. 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. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Fixed assets purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Acquired intangible assets are capitalised at the acquisition price. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The amortization period and the amortization method are reviewed atleast at each financial year end. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Capital Work in progress : Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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e. **Depreciation and amortisation**

Depreciation on tangible assets is provided on the written down value method over the useful lives of assets estimated by the Management except for Solar Plant calculated on Straight Line Method. Depreciation for assets purchased / sold during a period is Proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed assets as follows:

| S.L. No | Nature of Assest | Method | * Useful Life |
|---|---|---|---|
| 1 | Factory Buiding | Written Down Value Method | 30 years |
| 2 | Plant and Machinery | Written Down Value Method | 15 years |
| 3 | Furniture and Fixtures | Written Down Value Method | 10 years |
| 4 | Vehicles | Written Down Value Method | 8 years |
| 5 | Office Equipment | Written Down Value Method | 5 years |
| 6 | Computer and Peripherals | Written Down Value Method | 3 years |
| 7 | Leasehold Land | Written Down Value Method | Lease Period |
| 8 | Electrical Installation | Written Down Value Method | 10 years |
| 8 | Solar Plant (SLM) | Straight Line Method | 25 years |

**Note: Lease hold Land is not depreciated.**

*Based on technical evaluation, the Management believes that the useful life given above best represent the period over which the Management expects to use the assets. Hence, the useful life for the assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values useful lives and methods of depreciation of property,plant and equipments are reviewed at each financial year-end and adjusted prospectively,if appropriate.

f. **Revenue Reognition**

i. Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of products are transferred to customers, which generally coincides with delivery of goods or as per agreement with the customers. Sales are stated net of sales returns, trade discounts, Goods & Service Tax .

ii. Interest shall accrue on the time basis determined by the amount outstanding and the rate applicable.

iii. Interest on refund of any tax, duty or cess shall be deemed to be the income of the previous year in which such interest is received.

iv. Rental Income are recognised on accural basis in accordance with the terms of agreements.

v. Insurance claims are accounted for on the basis of claim admitted and to the extent that there is no uncertainty in receiving the claims.

g. **Purchases:**

Purchases are recognized on receipt of goods at the Factory premises and are inclusive of carriage inward. The same are shown at net of purchase returns.

g. **Taxes on income**

Current Tax: Current tax is determined as the amount of tax payable is respect of taxable income for the year under Sr.No.10(d) of Notes to Financial statements.

Deferred Tax: Deferred tax is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date due to difference in Depreciation allowance as per the Companies Act, 2013 and the Income Tax Act, 1961.

h. **Investments**

Investments are classified as Non current Investment in the date of Balance Sheet and are valued at cost as per Sr.No.8 of Notes to Financial Statement

i Miscellaneous Expenses does not include any expenses exceeding 1% of the total revenue or Rs.5,000/- whichever is higher.

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j **Goods & Service Tax**

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise have been replaced by GST. In accordance with Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, VAT, etc. are excluded from Gross Revenue from sale of products and services for applicable periods. In view of the aforesaid restructuring of indirect taxes, The company has followed all the rule and implications by GST Act and Rule For the ended 31st March, 2024 .

k **Provisions, Contigent Liability,**

The company creates a provison when there is a present obligation as a result of a past event that probably requires an outflow of resources and a realiable estimate can be made of the obligation. A disclosure for a contingent liablity is made when there is a possible obligation or a present obligation that may ,but probably will not require an outflow of resources. Where there is possible obligation in respect of which the likelihood of the outflow of resources is remote, no provision or disclosure is made.

l **Retirement Benefits**

Retirement Benefits

i. Retirement benefits in the form of Provident fund / Pension Schemes is defined contribution schemes and the contributions are charged to the Profit & Loss Account of the year

ii. Actuarial gains / losses are immediately taken to Profit & Loss Account.

m. **Employee Benefits**

**Gratuity**

The Company has an obligation towards gratuity, a dened benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of ve years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounted for the liability for gratuity benefits but yet to be paid hence has been disallowed for the purpose of tax computation.

n **Foreign Exchange Transaction :** Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year / period are recognized in the statement of profit and loss of that year / period.

o **Value of Import / Export during the Year :**

CIF value of imports, expenditure and earnings in foreign currencies :

| S.No. | Particulars | 31st March 2024 | 31st March 2023 |
|---|---|---|---|
| (a) | CIF Value of Imports | | |
| | - Capital Goods | Nil | Nil |
| (b) | FOB Value of Imports | | |
| | - Purchase | Nil | Nil |
| | -Exports/Sales | 43,27,163.00 | 2,50,13,975.00 |

p **Related Party Transactions**

All transactions entered into with related parties as defined under Companies Act 2013 were in the ordinary course of business and on the arms length basis and do not attract the provisons of section 188 of the Companies Act 2013. In accordance with Accounting Standard 18 the related party transactions are disclosed under Sr.No.12 of Notes to Financial statements

q **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement:Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

# **CONTINGENT LIABILITY NOT PROVIDED FOR IN BOOKS**

The Company has no contingent liabilities on the period of review or as at 31st March, 2024

3 **Exceptional Items**

The non payment of gratuity for prior periods has been shown under "Exceptional or Extraodinary Items" in it's Profit & Loss A/c.

| | | |
|---|---|---|
| Total Gratuity as per the Gratuity Acturial Report | | 74,06,607.00 |
| Less: Gratuity pertaining to prior period shown as Exceptional item in P&L | | 45,30,060.00 |
| FY 2021-22 | 17,36,801.00 | |
| FY 2022-23 | 27,93,259.00 | |
| Gratuity disallowed in computation for the FY 23-24 due to non payment | | 28,76,547.00 |

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**NOTES TO ACCOUNTS**
**NOTE26**

| S.NO | Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| | | Rs. | Rs. |
| 3) | (a) Authorised | | |
| | 2,50,00,000 Equity shares of Rs.10/- each | 25,00,00,000 | 3,00,00,000 |
| | Previously 20,57,530 No of equity Shares of Rs.10/-each with voting rights | | |
| | | 25,00,00,000 | 3,00,00,000 |
| | (b) Issued,Subscribed and fully Paid up :- | | |
| | 23,52,530 Equity shares of Rs.10/- each | 2,35,25,300 | 2,05,75,300 |
| | Previously 20,57,530 No of equity Shares of Rs.10/-each with voting rights | | |
| | Add: Equity Shares during the year (295000@FV-Rs.10) at a premium of Rs.279 in FY22-23 | - | 29,50,000 |
| | **Total** | **2,35,25,300** | **2,35,25,300** |

**i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| Particulars | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| Equity shares with voting rights | | | | |
| Opening Balance at the beginning of the year | 23,52,530 | 2,35,25,300 | 20,57,530 | 2,05,75,300 |
| Change/Issued during the year | - | - | 2,95,000 | 29,50,000 |
| Closing Balance at the end of the year | 23,52,530 | 2,35,25,300 | 23,52,530 | 2,35,25,300 |

**ii.Details of shares held by each shareholder holding more than 5% shares:**

| Class of shares / Name of shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Number of | % holding in | Number of shares held | % holding in that |
| M/s Mayank Marketing Pvt Ltd | 7,61,970 | 32.39% | 7,61,970 | 32.39% |
| Mr. Pramod Kumar Bhalotia | 8,66,440 | 36.83% | 8,66,440 | 36.83% |
| Mrs. Beena Bhalotia | 2,46,180 | 10.46% | 2,46,180 | 10.46% |
| Mr. Abhishek Bhalotia | 3,32,270 | 14.12% | 1,63,810 | 6.96% |
| Mr.S.MD Fazullah Basha | 760 | 0.03% | 1,19,220 | 5.07% |

**ii.Details of shares held by Promotors and Relatives as on 31.03.2024:**

| Class of shares / Name of shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Number of | % holding in | Number of shares held | % holding in that |
| M/s Mayank Marketing Pvt Ltd | 7,61,970 | 32.39% | 7,61,970 | 32.39% |
| Mr. Pramod Kumar Bhalotia | 8,66,440 | 36.83% | 8,66,440 | 36.83% |
| Mrs. Beena Bhalotia | 2,46,180 | 10.46% | 2,46,180 | 10.46% |
| Mr. Abhishek Bhalotia | 3,32,270 | 14.12% | 1,63,810 | 6.96% |
| Mr.S.Md Fazlullah Basha | 760 | 0.03% | 1,19,220 | 5.07% |
| Mr.Ratanlal Bhalotia | 400 | 0.02% | 400 | 0.02% |
| Mrs Anjali | 10,000 | 0.43% | 50,000 | 2.13% |
| Mrs.Komal Bhalotia | - | 0.00% | 50,000 | 2.13% |
| Mrs.Dolly Bhalotia | 44,510 | 1.89% | 44,510 | 1.89% |
| Mr.Ratanlal Pramod Kumar Bhalotia HUF | 50,000 | 2.13% | 50,000 | 2.13% |
| Mr Krishna Kumar Dhanuka | 40,000 | 1.70% | | |
| | 23,52,530 | 100.00% | 23,52,530 | 100.00% |

**iii. Rights & restrictions attached to shares:**
**Equity Shares**

The company has one class of equity shares having a face value of `10 each. Each share holder is eligible for one vote per share held.

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S.NO

5) The inventories of the company is been valued as follows

| | |
|---|---|
| Raw Material | At cost |
| Finished Goods | Least of Cost or Market Value |

**RAW MATERIAL**

| S.No | Desciption of Goods | Units | Opening Stock | Purchase | Consum -ption | Sales | Closing Stock |
|---|---|---|---|---|---|---|---|
| 1 | RM Steel Coils | TON | 13,483 | 1,49,643 | 1,27,162 | 22,189 | 13,775 |
| 2 | Iron Ore Pellet | TON | - | 11,565 | - | 11,565 | - |
| 3 | Zinc | TON | 13 | 1,683 | 1,672 | - | 24 |
| | **Sub Total** | | **13,496** | **1,62,891** | **1,28,834** | **33,754** | **13,799** |

**FINISHED GOODS**

| S.No | Desciption of Goods | Units | Opening Stock | Purchase | Captive Consumption Received | | | | Manufactured Finished Goods | Rejection &Defective | Captive Transferred | | | Prime FG Sales | Closing Stock |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Pickling | CRM | CGL | Total | | | TM | CRM | CGL | | Prime FG |
| 1 | Pcikling Plant | TON | 216 | - | - | - | - | - | 1,04,127 | - | 1,449 | 92,719 | 9,283 | 16 | 876 |
| 2 | CRM Plant. | TON | 385 | - | 92,719 | - | - | **92,719** | - | - | 14,399 | | 77,325 | 388 | 992 |
| 3 | CGL Plant | TON | 2,604 | - | 9,283 | 77,325 | - | **86,608** | 826 | 161 | 76,224 | | | 11,905 | 1,910 |
| 4 | Tube Mill | TON | 4,010 | 4,875 | 1,449 | 14,399 | 76,224 | **92,072** | 2,188 | 1,570 | - | - | - | 98,744 | 4,401 |
| 5 | GI Plant | TON | 766 | 2,970 | - | - | - | - | 16,477 | 233 | - | - | - | 19,381 | 833 |
| | **Sub Total** | | **7,981** | **7,845** | **1,03,451** | **91,724** | **76,224** | **2,71,399** | **1,23,619** | **1,964** | **92,072** | **92,719** | **86,608** | **1,30,434** | **9,011** |

**Detail for Rejection & Deffective And Scrap**

| S.No | Desciption of Goods | Units | Opening Stock | | Purchase | | Manufactured | | Sales | | Closing Stock | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Rejection &Defective | Scrap | Rejection &Defective | Scrap | Rejection &Defective | Scrap | Rejection &Defective | Scrap | Rejection &Defective | Scrap |
| 1 | Tube Mill (Rejected Pipes+ Coil Scrap ) | TON | 100 | 922 | - | 15 | 1,570 | 3,252 | 1,245 | 3,442 | 425 | 746 |
| 2 | BY Product - GI Plant(Zinc Cyclone /Ash / Zinc Dross ) | TON | 80 | - | - | - | 233 | - | 308 | - | 5 | - |
| 3 | BY Product - CGL Plant ( Ash ) | TON | 8 | - | - | - | 161 | - | 159 | - | 9 | - |
| | **Sub Total** | | **189** | **922** | **-** | **15** | **1,964** | **3,252** | **1,713** | **3,442** | **440** | **746** |

4.048%

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**6) Solar Production**

| MONTHS | UNITS |
|---|---|
| April | - |
| May | - |
| June | - |
| July | 4,47,315.00 |
| August | 7,98,201.00 |
| September | 7,93,430.00 |
| October | 7,41,295.00 |
| November | 6,13,095.00 |
| December | 5,86,728.00 |
| January | 7,07,130.00 |
| February | 8,17,645.00 |
| March | 9,60,714.00 |
| **TOTAL** | **64,65,553.00** |

As per our Report of even date
For R.R. More & Co
Chartered Accoutants
FR. No.002133S

R.R. MORE & COMPANY
D4
Rams Apts,
21, R.A. Road,
Chennai-84.
FR No:
002133S
Chartered Accountants

CA Raja ram More
Proprietor
M.No.21233

TAX AUDIT UDIN :24021233BKBHPI4984
STAT UDIN:24021233BKBHPJ7015
Date:05/09/2024
Place: Chennai

For and on behalf of the board
R K Steel Manufacturing Company Ltd
CIN: U27106TN2006PLC059519

Pramod Kumar Bhalotia
Managing Director
DIN :01115735

Abhishek Bhalotia
Director
DIN : 07624387

Sanjay Bhalotia
Chief Financial Officer

CS S.N. Sathya Priya
M.No.A16699

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**(formerly R K Steel Manufacturing Co P Ltd)**
**CHENNAI**
**NOTE -27-NOTES TO FINANCIAL STATEMENTS**

7) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

8) **Investment in UnQuoted Shares**
The company had made an Investment in UnQuoted shares of Rs.34,59,000 in M/s Surya Dev Alloys and Power Private Limited and sold at cost price during the FY 23-24 hence there is no profit or loss.

9) **Accounting Disclosures :**
a) Directors Remuneration :

| | |
|---|---|
| Pramod Kumar Bhalotia | Rs.4750000 |
| Abhishek Bhalotia | Rs.5400000 |

b) Preliminary Expenses :
Preliminary Expenses are amortised equally over a period of five years.

c) Provisions for Income Tax : Rs. 5,40,33,305.00

d) Deferred Taxation : Rs. 2,54,52,120.00

| | | |
|---|---|---|
| e) Expenditure in Foreign Currencies | INR | 1,87,50,63,733.00 |
| | USD | 2,19,59,711.00 |
| f) Earning in Foreign Currencies | INR | 43,27,163.00 |
| | USD | 52,546.00 |

10) **Loan From Directors**

| NAME | Loan as 01.04.2023 | Amount Received | Amount repaid | Loan as 01.04.2024 | Interest |
|---|---|---|---|---|---|
| Mr.Pramod Kumar Bhalotia | - | 6,21,60,000 | 99,45,089 | 5,24,97,291 | 2,82,380 |
| Mr.Abhishek Bhalotia | - | 5,36,40,000 | 1,55,18,089 | 3,84,24,621 | 3,02,710 |

*The interest part of the loan is shown above

11) **Related party transactions:-**
Related party disclosures as identified by the management in accordance with the Accounting Standard-18 issued by the institute of Chartered Accountants of India are given below:,

| Particulars | | | 31.03.2024 | 31.03.2023 |
|---|---|---|---|---|
| Name of the Party | Relationship | Nature of Transaction | Transaction Value(In Rs.) | Transaction Value(In Rs.) |
| Mr.Pramod Kumar Bhalotia | Managing Director | Rent | 3,00,000.00 | 3,00,000.00 |
| | | Interest on loan paid | 3,13,756.00 | 24,04,939.00 |
| | | Loan Outstanding | 1,91,97,291.00 | |
| | | Director's Salary | 47,50,000.00 | 31,80,000.00 |
| Mr.Abhishek Bhalotia | Directors Relatives | Director's Salary | 54,00,000.00 | 39,00,000.00 |
| | | Loan Outstanding | 4,04,64,220.76 | |
| | | Interest on loan paid | 3,36,344.00 | 8,61,776.00 |
| Mrs. Beena Bhalotia | Director | Salary | 24,00,000.00 | 26,00,000.00 |
| | | Loan Outstanding | - | |
| | | Interest on loan paid | 2,10,605.90 | 1,20,648.00 |
| Mrs. Dolly Bhalotia | Director | Salary | 24,10,000.00 | 25,85,000.00 |
| | | Loan Outstanding | - | |
| | | Interest on loan paid | 71,157.67 | 4,53,308.00 |
| KPR TUPES LLP | Directors Relatives | Sales | 5,32,21,496.00 | |
| KPR TUPES LLP | | Purchase | 2,55,65,898.00 | 4,52,71,000.00 |

R.R. MORE & COMPANY
D4
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002133S
Chartered Accountants

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**(formerly R K Steel Manufacturing Co P Ltd)**
**CHENNAI**
**NOTES TO FINANCIAL STATEMENTS**

**12) Other Information**

a) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

b) The provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, relating to constitution of Corporate Social Responsibility Committee, are applicable on the Company.

c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year,

d) The Company did not have any transaction with Companies struck off

**13) Cost Audit**

We have maintained the books of account pursuant to the Rules made by the Central Government for the maintenance of costs records under section 148 of the Companies Act,2013 and , the prescribed accounts and records have been made and maintained.

**14) Basis of Calculation of Basic Earning per Share is as under: -**

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity

| PARTICULARS | 31.03.2024 | 31.03.2023 |
|---|---|---|
| Profit after taxation as per P & L A/c.(Rs) | 22,42,08,368 | 20,22,07,016 |
| Weighted Average No. of Equity Shares (No.) | 23,52,530 | 23,52,530 |
| Basic Earning per Share (Rs.) | 95.31 | 85.95 |
| Diluted Earning per Share (Rs.) | 95.31 | 85.95 |
| Face Value of Share | 10 | 10 |

**15) Financial Ratio: -**

| | Particulars | Unit of Measurement | 31.03.2024 | 31.03.2023 | Variation in % |
|---|---|---|---|---|---|
| 1 | Current Ratio ( Refer Note 1 ) | In multiple | 1.37 | 1.52 | -10.10% |
| 2 | Debt-Equity Ratio | In multiple | 2.48 | 2.64 | -6.15% |
| 3 | Debt Service Coverage Ratio | In multiple | 6.50 | 5.21 | 24.68% |
| 4 | Return on Equity Ratio | In % | 0.45 | 0.27 | 64.76% |
| 5 | Inventory Turnover Ratio | In Days | 20.25 | 24.80 | -18.34% |
| 6 | Trade receivables Turnover Ratio | In Days | 11.63 | 9.96 | 16.79% |
| 7 | Trade payables Turnover Ratio | In Days | 51.11 | 29.42 | 73.72% |
| 8 | Net Capital Turnover Ratio | In Days | 12.03 | 8.06 | 49.24% |
| 9 | Net Profit Ratio | In % | 0.03 | 0.03 | -7.72% |
| 10 | Return on Capital Employed | In % | 0.58 | 0.26 | 122.41% |
| 11 | Return on Investment (Assets) | In % | 0.27 | 0.14 | 95.16% |

**Reasons for Variation :**

As per our Report of even date
For R.R. More & Co
Chartered Accoutants
FR. No.002133S

R.R. MORE & COMPANY D4 Rams Apts. 21, R.A. Road, Chennai-84. FR No: 002133S Chartered Accountants

CA Raja ram More
Proprietor
M.No.21233

Pramod Kumar Bhalotia
Managing Director
DIN :01115735

For and on behalf of the board
R K Steel Manufacturing Company Ltd
CIN: U27106TN2006PLC059519

Abhishek Bhalotia
Director
DIN : 07624387

TAX AUDIT UDIN :24021233BKBHPI4984
STAT UDIN:24021233BKBHPJ7015
Date:05/09/2024
Place: Chennai

Sanjay Bhalotia
Chief Financial Officer

CS S.N. Satyya Priya
M.No.A16699

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
**(formerly R K Steel Manufacturing Co P Ltd)**
**CHENNAI**

**NOTE -27-NOTES TO FINANCIAL STATEMENTS**

**135. Corporate Social Responsibility**

(1) Every company 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 any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

*Explanation*.—For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198.

| PARTICULARS | FY 23-24 | FY 22-23 |
|---|---|---|
| Net profit before Income Tax for 2019-2020 | | 5,24,36,063.47 |
| Net profit before Income Tax for 2020-2021 | 16,71,70,580.71 | 16,71,70,580.71 |
| Net profit before Income Tax for 2021-2022 | 24,20,10,116.00 | 24,20,10,116.00 |
| Net profit before Income Tax for 2022-2023 | 27,58,08,600.00 | |
| Average net profit | 22,83,29,765.57 | 15,38,72,253.39 |
| | | |
| Amount to be spent on CSR for the FY | 45,66,595.00 | 30,77,445.00 |
| Amount spent on CSR in the next FY | | 30,80,000.00 |
| (Excess)/short Paid in previous year adjusted | (10,023.00) | |
| Amount short / (excess) spent | 45,56,572.00 | (2,555.00) |

The Company has incurred an amount of 45,66,595 towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and included it in other expenses

| Particulars | 31.03.2024 | | 31.03.2023 | |
|---|---|---|---|---|
| | In cash | Yet to be paid in cash | | Paid in cash |
| (a) Gross amount required to be spent by the Company during the year | | 45,56,572 | | 30,77,445 |
| (b) Amount spent on: | | | | |
| (i) Construction / acquisition of assets | | | | |
| (ii) On purposes other than (i) above (for CSR projects) | | 45,56,572 | | 30,77,445 |

R.R. MORE & COMPANY
D4 Ram's Apts. 21, R.A. Road, Chennai-84. FR No: 002133S
Chartered Accountants

R.K. STEEL MANUFACTURING COMPANY LIMITED
*(formerly RK Steel Manufacturing Co P Ltd)*

NOTE -27-NOTES TO FINANCIAL STATEMENTS

| SNO. | PARTICULARS | 31/03/2024 | 31/03/2023 | FORMULAS | 31/03/2024 | 31/03/2023 |
|---|---|---|---|---|---|---|
| 1 | CURRENT RATIO | 1.38 | 1.52 | Current Assets / Current liablities | 3,15,21,86,123 / 2,28,81,31,794 | 3,09,63,66,410 / 2,03,24,31,623 |
| 2 | DEBT EQUITY RATIO | 2.48 | 2.64 | Total Debt / Total Equity | 2,74,48,61,731 / 1,10,73,78,676 | 2,33,24,82,089 / 88,31,70,307 |
| 3 | DEBT SERVICE COVERAGE RATIO | 6.50 | 5.21 | Net operating Income(EBITDA) / Debt service | 59,77,43,238 / 9,19,64,312 | 47,57,20,117 / 9,12,54,845 |
| 4 | RETURN ON EQUITY | 0.45 | 0.27 | Net Income / Average Total Equity | 22,42,08,368 / 99,52,74,492 | 20,22,07,016 / 73,94,39,300 |
| 5 | INVENTORY TURNOVER RATIO | 20.25 | 24.80 | COGS / Average Inventory | 9,54,41,97,389 / 47,12,38,697 | 8,02,47,16,540 / 32,35,48,442 |
| 6 | TRADE RECIEVABLE TURNOVER RATIOS | 11.63 | 9.96 | Total Sales / Average Trade receivables | 10,22,18,35,324 / 87,86,09,569 | 8,57,79,27,621 / 86,10,68,758 |
| 7 | TRADE PAYABLE TURNOVER RATIOS | 51.11 | 29.42 | Total Purchases / Average Trade payables | 9,39,90,37,491 / 18,38,84,063 | 8,30,09,95,826 / 28,21,23,843 |
| 8 | NET CAPITAL | 11.83 | 8.06 | Total Sales / Working Capital | 10,22,18,35,324 / 86,40,54,328.37 | 8,57,79,27,621 / 1,06,39,34,786.88 |
| 9 | NET PROFIT RATIO | 0.03 | 0.03 | Net Profit / Net Sales | 30,36,93,793 / 10,22,18,35,324 | 27,58,08,600 / 8,57,79,27,621 |
| 10 | RETURN ON CAPITAL EMPLOYED | 0.58 | 0.26 | EBIT / Capital Employed | 51,30,62,544 / 1,78,30,96,885 | 41,08,91,165 / 1,57,76,39,911 |
| 11 | RETURN ON INVESTMENTS | 0.27 | 0.14 | Net Income / Average Total Assets | 51,30,62,544 / 3,84,06,50,106 | 41,08,91,165 / 3,00,26,04,387 |

12 **Calculation of Debt service**

For the year ended 31 March 2024

| PARTICULARS | INTEREST | PRINCIPAL | REPAYMENT |
|---|---|---|---|
| HDFC term loan -0007(9.90) @9.65% | 98,92,674.73 | 41,27,662.00 | 1,40,20,336.73 |
| HDFC Term Loan A/c-0005 29/12//21-10Cr | 62,05,554.80 | 2,00,00,000.00 | 2,62,05,554.80 |
| HDFC Term Loan A/c-0008 29/12/21 4.6 Cr | 5,35,561.64 | 1,60,00,000.00 | 1,65,35,561.64 |
| HDFC Term LoanA/C-0006 29/12/21 4.87 Cr | 28,37,328.58 | 1,04,37,096.00 | 1,32,74,424.58 |
| HDFC Termloan A/c-0007-29/12/21-5.63 Cr | 20,41,326.18 | 1,98,87,108.00 | 2,19,28,434.18 |
| HDFC Termloan A/c -10003-02/03/23-15 Cr | 1,45,51,336.46 | 62,50,000.00 | 2,08,01,336.46 |
| | 2,15,12,445.93 | 7,04,51,866.00 | 9,19,64,311.93 |

For the year ended 31 March 2023

| PARTICULARS | INTEREST | PRINCIPAL | REPAYMENT |
|---|---|---|---|
| HDFC term loan -0007(9.90) @9.65% | 7,59,535.21 | - | 7,59,535.21 |
| HDFC Term Loan A/c-0005 29/12//21-10Cr | 63,58,452.05 | 2,06,46,581.95 | 2,70,05,034.00 |
| HDFC Term Loan A/c-0008 29/12/21 4.6 Cr | 21,42,400.00 | 2,42,71,627.40 | 2,64,14,027.40 |
| HDFC Term LoanA/C-0006 29/12/21 4.87 CR | 30,09,164.08 | 1,07,41,705.90 | 1,37,50,869.98 |
| HDFC Termloan A/c-0007-29/12/21-5.63 Cr | 30,94,747.92 | 2,02,30,630.61 | 2,33,25,378.53 |
| | 1,53,64,299.26 | 7,58,90,545.86 | 9,12,54,845.12 |

R.R. KABRA & COMPANY
Rams Apts, 21, K.A. Road, Chennai-84.
FR No: 002133S
Chartered Accountants

**Acknowledgement Number:548613011300924** **Date of filing : 30-Sep-2024**

# INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

[Where the data of the Return of Income in Form ITR-1(SAHAJ), ITR-2, ITR-3, ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified]
(Please see Rule 12 of the Income-tax Rules, 1962)

Assessment Year
2024-25

| | | | |
|---|---|---|---|
| PAN | AADCR2847L | | |
| Name | R.K. STEEL MANUFACTURING COMPANY LIMITED | | |
| Address | No.5 , Ground Floor , Branson Garden Street, Kilpauk , CHENNAI, , 29-Tamil Nadu, 91-INDIA, 600010 | | |
| Status | 6-Public company | Form Number | ITR-6 |
| Filed u/s | 139(1)-On or before due date | e-Filing Acknowledgement Number | 548613011300924 |

| | | | |
|---|---|---|---|
| Taxable Income and Tax Details | Current Year business loss, if any | 1 | 0 |
| | Total Income | 2 | 21,46,90,500 |
| | Book Profit under MAT, where applicable | 3 | 0 |
| | Adjusted Total Income under AMT, where applicable | 4 | 0 |
| | Net tax payable | 5 | 5,40,33,305 |
| | Interest and Fee Payable | 6 | 0 |
| | Total tax, interest and Fee payable | 7 | 5,40,33,305 |
| | Taxes Paid | 8 | 7,11,97,918 |
| | (+) Tax Payable /(-) Refundable (7-8) | 9 | (-) 1,71,64,610 |
| Accreted Income and Tax Detail | Accreted Income as per section 115TD | 10 | 0 |
| | Additional Tax payable u/s 115TD | 11 | 0 |
| | Interest payable u/s 115TE | 12 | 0 |
| | Additional Tax and interest payable | 13 | 0 |
| | Tax and interest paid | 14 | 0 |
| | (+) Tax Payable /(-) Refundable (13-14) | 15 | 0 |

This return has been digitally signed by ABHISHEK BHALOTIA in the capacity of Director having PAN AUKPB0644B from IP address 49.37.213.245 on 30-Sep-2024 13:20:22 at CHENNAI, (Place) DSC Sl.No & Issuer 4125400 & 1648909864CN=

System Generated Barcode/QR Code

AADCR2847L065486130113009245267801a877032cc737273a2b9979aa56f13cb4f

**DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU**

# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
CIN: U27106TN2006PLC059519

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the company will be held on Monday, the 30th September, 2024 at 5.30 P.M. at the Registered Office of the company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement for the financial year ended 31st March, 2024 including Balance Sheet as at 31st March, 2024, Profit & Loss Account, Cash Flow Statement for the year ended as on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a director in place of Mr.Abhishek Bhalotia (DIN 7624387), who retires by rotation and being eligible offers himself for re-appointment.

3. To consider and, if thought fit, to pass the following resolution as ORDINARY RESOLUTION:

   **"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 (including Auditors) Rules, 2014 (including an re-enactment or modification thereto), and such other applicable provisions, if any, M/s.Mahesh C. Solanki & Co., Chartered Accountants, Indore, with Firm Registration No. 006228C be and are hereby appointed as the Statutory Auditors and peer review Auditor ( Holding Peer Review Certificate No: 016526, valid from 02.04.2024 to 30.04.2027) of the Company for a period of five years from the financial year 2024-25 to 2028-29, who shall hold office from the conclusion of the ensuing 18th Annual General Meeting till the conclusion of the 23rd Annual General Meeting, at a remuneration as may be mutually agreed upon between the Board and the aforesaid Auditors".

SPECIAL BUSINESS:

4 To consider and, if thought fit, to pass the following resolution as SPECIAL RESOLUTION:

   RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force and also the provisions of Articles of Association of the Company, Shri Shashank Garg (DIN:10194229) who was appointed as an Additional Director and also as an Independent Director of the Company

by the Board of Directors with effect from 30th November, 2023 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term upto five consecutive years commencing from 30th September, 2024"

5. To consider and, if thought fit, to pass the following resolution as SPECIAL RESOLUTION:

   RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force and also the provisions of Articles of Association of the Company, Shri Ashwin Satyanarayan Agarwal (DIN:09063717) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from 10th January, 2024 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term upto five consecutive years commencing from 30th September, 2024"

6. To consider and, if thought fit, to pass the following resolution as SPECIAL RESOLUTION:

   RESOLVED that pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force and also the provisions of Articles of Association of the Company, Smt. Beena Bhalotia (DIN:02678849) who was appointed as an Additional Director and also as the Woman Director of the Company by the Board of Directors with effect from 28t August, 2024 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received

a notice in writing from a member signifying his intention to propose her as a candidate for the office of the Director, be and is hereby appointed as Woman Director of the Company, who shall be liable to retire by rotation"

7. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to appoint Mr.Pramod Kumar Bhalotia (DIN 01115735) as Managing Director of the Company for a period of 5 Years with effect from 1st October, 2024 on a remuneration of Rs.3.50 lacs per month and upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Pramod Kumar Bhalotia."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

8. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association

of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to appoint Mr.Abhishek Bhalotia (DIN 07624387) as Whole Time Director of the Company for a period of 5 Years with effect from 1st October, 2024 on a remuneration of Rs.4.50 lacs per month and upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Abhishek Bhalotia."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

9. To consider and if thought fit, to pass with or without modification the following resolution as **ORDINARY RESOLUTION** :

"**RESOLVED THAT** pursuant to provisions of Section 63 and other applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued by the Government of India) and the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for the issue and allotment of equity shares not exceeding 14115180 equity shares of Rs.10/-(Indian Rupees Ten Only) each as bonus shares credited as fully paid up to the eligible members of the Company holding equity shares of Rs. 10/- (Indian Rupees Ten Only) each whose name appears on the Company's Register of Members on such date ("Record Date") as the Board may determine, in the proportion of 6 (Six) new fully paid equity shares of Rs. 10/-(Indian Rupee Ten Only) each for every 1 (One) equity share of Rs. 10/- (Indian Rupees Ten Only) each (Ratio 6:1) held as on the Record date and that the new bonus shares so issued and allotted shall be

treated for all purposes as an increase of the nominal amount of the equity capital of the Company held by each such member and not as income.

**RESOLVED FURTHER THAT** the new equity shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall in all respects rank Pari-passu with the existing fully paid-up equity shares of the Company, with a right, to participate in dividend (if any) in full that may be declared after the date of allotment of these equity shares as the Board may be determine.

**RESOLVED FURTHER THAT** the bonus shares aforesaid shall be credited to the member's accounts of the shareholders within the stipulated time as may be allowed by the appropriate authorities.

**RESOLVED FURTHER THAT** Board of Directors of the Company, be and are hereby authorized to file the necessary documents/ form(s) with the Registrar of Companies or such other Statutory bodies as may be required and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

10. To consider and if thought fit, to pass with or without modification the following resolution as **ORDINARY RESOLUTION** :

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. STARP & ASSOCIATES, Cost Accountants (Firm Registration No. 004143), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24, amounting to Rs.50,000/- (Rupees Fifty thousand only) as also the payment of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

11. To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014, as amended from time to time, the contracts entered into by the Company with Related Parties as detailed in the explanatory statement be and is hereby ratified and

approved;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion and to finalize any documents and writings related thereto"

12. To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

**RESOLVED** that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded for Mrs.Beena Bhalotia, being related party, to continue to hold an office or place of profit in the company for a period of three years commencing from the financial year 2024-25 to 2026-27 and upto and including financial year 2026-27 and to pay her the monthly salary not exceeding such sum as mentioned in the explanatory statement of Item No.12 or such amount as may be decided by the board from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorized to do all such acts, deeds and things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution."

13. To consider and if thought fit, to pass with or without modification the following resolution as **ORDINARY RESOLUTION:**

**RESOLVED** that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded for Mrs.Dolly Bhalotia, being related party, to continue to hold an office or place of profit in the company for a period of three years commencing from the financial year 2024-25 to 2026-27 and upto and including financial year 2026-27 and to pay her the monthly salary not exceeding such sum as mentioned in

the explanatory statement of Item No.13 or such amount as may be decided by the board from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorized to do all such acts, deeds and things and execute al such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution."

14. To consider and if thought fit, to pass with or without modification the following resolution as **ORDINARY RESOLUTION:**

**RESOLVED** that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded to the company to enter into contracts/ arrangements/ transaction(s) with M/s.KPR TUPES LLP, a related party of the company for effecting sale or purchase of goods for an amount not exceeding in the aggregate such amount as given in the explanatory statement to Item No.14 hereto per financial year for the period of 3 financial years commencing from the financial year 2024-25 and upto and including financial year 2026-27 provided that the said transactions are entered into/carried out on arms length basis and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorised committee thereof)

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorized to do all such acts, deeds and things and execute al such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution."

//By Order of the Board of Directors//

For **R.K.STEEL MANUFACTURING CO. LTD.**

Place: Chennai
Date: 05.09.2024

**PROMOD KUMAR BHALOTIA**
**MANAGING DIRECTOR (DIN 01115735)**

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
CIN: U27106TN2006PLC059519

NOTES:

1. A member entitled to attend and vote at the Annual general Meeting( hereinafter known "the Meeting") is entitled to appoint a proxy to attend and vote on poll instead of himself / herself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and if intended to be used, it should be deposited duly filled-up at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

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

2. A Route Map along with Prominent Landmark for easy location to reach the venue of Annual General Meeting, pursuant to the Secretarial Standard on General Meetings is annexed with the notice of Annual General Meeting.

3. Members/proxies attending the meeting are requested to bring their duly filled admission/ attendance slips sent along with the notice of annual general meeting at the meeting.

4. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.

5. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the resolutions under item nos.4 to 11 as set out in the notice hereinabove is annexed hereto.

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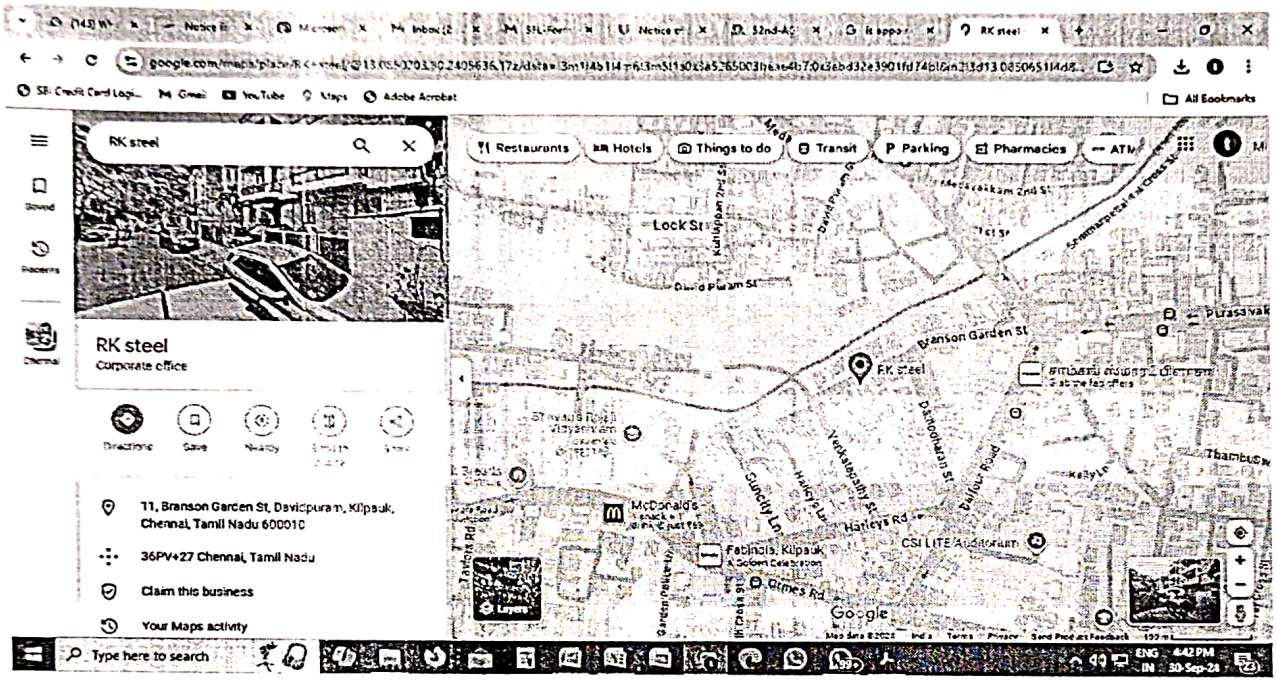
## ROUTE MAP OF THE AGM VENUE

**AGM VENUE:** No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010



# R.K. STEEL MANUFACTURING COMPANY LIMITED

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013**

**ITEM NO.4 & 5:**

**APPOINTMENT OF MR.SHASHANK GARG (DIN 10194229) AND MR.ASHWIN SATHYANARAYAN AGARWAL (DIN 09063717) AS INDEPENDENT DIRECTORs FOR 5 FINANCIAL YEAR FROM 30TH SEPTEMBER, 2024 - SPECIAL RESOLUTION:**

The board of directors in its meeting held on 30th November, 2023 had appointed Mr.Shashank Garg (DIN 10194229) as Additional Non-Executive Independent Director w.e.f. 30/11/2023 and the same was regularized by the shareholders in the Extra Ordinary General Meeting held on 22nd December, 2023 to hold office upto the ensuing Annual General Meeting. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr.Shashank Garg shall hold office upto the date of the forthcoming Annual General Meeting of the company and is eligible to be appointed as an Independent Director for a term upto five years.

Also the Board of directors have appointed Mr.Ashwin Satyanarayan Agarwal (DIN 09063717) as Additional Non-Executive Independent Director w.e.f.. 10th January, 2024, who shall hold office upto the ensuing Annual General Meeting of the Company and is eligible to be appointed as an Independent Director for a term upto five years.

The company has received notice under section 160 of the Companies Act, 2013 from Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal, signifying their candidature as an Independent Directors of the company. A brief profile of both Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal including nature of his expertise has been disclosed in the annexure to the notice of the Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of director at the General Meeting, if he or some member intending to propose him as a director, has not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, alongwith the deposit of Rupees one lakh. However, as per the proviso to Section 160 which is made effective from 09.02.2018 the requirement of deposit of amount shall not apply in case of appointment of Independent Director of the Company. Since Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal are independent director of the company, there is no requirement of submission of requisite deposit.

Both the independent directors of the company have submitted declarations that each of them meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 along

with the Rules framed thereunder and they continue to comply with the Code of conduct laid down under Schedule IV of the Act. The Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They have further confirmed that they are not debarred from the holding the office of the director under any SEBI order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances, which may affect their status as Independent Directors of the company and the board is satisfied with the integrity, expertise and experience (Including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all independent Directors on the board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the company have included their names in the data bank of Independent Directors. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the company during business hours on any working day and is also available on the website of the company www.rksteel.co.in. The board of directors therefore recommend their appointment as Non-Executive Independent Directors of the company for five years as per the resolutions set out under Item No. 4 & 5 in the notice convening Annual General Meeting.

Except Mr.Shashank Garg and Mr.Ashwin Satyanarayan Agarwal, none of the other directors or key managerial personnel are deemed to be concerned or interested in the resolution.

**BRIEF PROFILE OF INDEPENDENT DIRECTOR, TERMS AND CONDITIONS OF APPOINTMENT.**

**Brief Profile**

Mr.Shashank Garg is the Non-Executive Independent Director of your Company since 30th November, 2023. He is a Practising Chartered Accountant having vide experience in finance and accounts. His continuing guidance is very valuable to your company. It will be in the interest of the company that Mr.Shashank Garg continues as a Director of the Company.

Mr.Ashwin Satyanarayan Agarwal, is the Non-Executive Independent Director of your Company since 23rd December, 2023 who is a Chartered Accountant having vide experience in finance and accounts. His continuing guidance is very valuable to your company. It will be in the interest of the company that Shri Ashwin Satyanarayan Agarwal continues as a Director of the Company.

Terms and Conditions of Appointment

1. Terms of Appointment: -

Pursuant to the provisions of section 149 of the Companies Act, 2014 - Appointment is for the five year - Not liable to retire by rotation as per the provisions of the section 149(13) of the companies

act, 2013. Mr.Shashank Garg (DIN 10194229), and Mr.Ashwin Satyanarayan Agarwal (DIN:09063717) are non executive directors appointed as an additional director on 30-11-2023 and 23rd December, 2023 respectively, who have submitted a declaration that they meet the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from two member proposing their candidature for the office of Director, be and is hereby appointed as an Independent Directors of the Company, subject to the approval of members in the ensuing Annual General Meeting, to hold office for five consecutive years, with effect from 1st October, 2024 to 30th September, 2029.

2. Duties: -

In addition to their role as a Directors, the Board may nominate Independent Directors as the Chairman / Member of other Board Committees, as it may deem fit from time to time. - Further, Schedule IV of the new Companies Act, 2013 prescribes certain duties of Independent Directors. - Independent director shall also comply with the duties provided under section 166 of the companies act, 2013

3. Expectation of the Board from the appointed directors:

As a Non- Executive Independent Directors they are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as enduring high standard of corporate governance.

4. Code of Business Ethics: -

The Board has put in place a Code of Business Ethics. An annual affirmation of Compliance is required to be provided by the Independent Directors on the same. The Policy of the code of conduct also posted on the website of the company.

5. Remuneration: -

Directors are entitled to a Sitting Fee for every meeting of the Board/ Committee of Board. The amount of sitting fess shall be as decided by the Board from time to time, as deemed fit. The Board may also approve payment of a Commission with respect to the net profits of the Company, subject to necessary approvals. The Board may prescribe any further duties and responsibilities, including as per the provisions of the applicable regulations.

# R.K. STEEL MANUFACTURING COMPANY LIMITED

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**ITEMNO.6:**

**APPOINTMENT OF MRS.BEENA BHALOTIA (DIN 02678849) AS WOMAN DIRECTOR FOR - SPECIAL RESOLUTION:**

Mrs.Beena Bhalotia (DIN: 02678849) was appointed as an Additional Director of the Company to represent as Woman Director on the Board with effect from 28th August, 2024 by the Board of Directors under Section 161 of the Act and Articles of Association of the Company. In terms of Section 161(1) of the Act, Mrs.Beena Bhalotia holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying her intention to propose Mrs. Beena Bhalotia's appointment as a Woman Director on the Board.

Mrs.Beena Bhalotia is promoter director of Mayank Marketing Private Limited, which is an associate company and she is having a vast experience in handling management and administration of a company. The Directors are of the view that the appointment of Mrs. Beena Bhalotia as a Woman Director will be beneficial to the Company. The Board of Directors thus recommends the Resolution at Item No. 6 of this Notice for your approval.

Except Mrs.Beena Bhalotia, Mr. Pramod Kumar Bhalotia and Mr.Abhishek Bhalotia none of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at Item No. 6 of the Notice.

**ITEM NO.7:**

**APPOINTMENT OF MR.PRAMOD KUMAR BHALOTIA AS MANAGING DIRECTOR OF THE COMPANY FOR FIVE YEARS AND FIXING HIS REMUNERATION – SPECIAL RESOLUTION:**

As per the terms of Articles of Association, Mr. Pramod Kumar Bhalotia was appointed as Managing Director for lift time. However, consequent to the company being converted into public limited company, the board of directors have proposed to recommend to shareholders for their approval for appointment of Mr.Pramod Kumar Bhalotia as Managing Director of the company for a period of 5 years from 1st October, 2024 and fix his remuneration at Rs.3.50 lacs per month. Mr.Pramod Kumar Bhalotia is the founder promoter, Managing Director of the company and with his vast experience and expertise he has built the company to this level.

Considering his knowledge of various managerial aspects relating to the company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr.Pramod Kumar Bhalotia should be available to the company for a period of five years with effect from 1st October, 2024. The terms and conditions of his appointment is set out in the notice of Annual General Meeting.

**R.K. STEEL MANUFACTURING COMPANY LIMITED**
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The main terms and conditions for the appointment of Mr.Pramod Kumar Bhalotia as Managing Director (MD), are as follows:

**I. Period** - From 1st October, 2024 to 30th September, 2029

**II.**

**A. Remuneration**

**a) Salary:**

Salary of Rs.3.50 lacs per month; The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**b) Benefits, Perquisites & Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

(i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Salary per annum.
(ii) Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this inclues mediclaim insurance premium).
(iii) Car facility as per Rules of the Company.
(iv) Telecommunication facility as per Rules of the Company.
(v) Housing loan facility as per Rules of the Company.
(vi) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum. This includes:

a. Medical allowance,
b. Leave Travel Concession/Allowance,
c. Other Allowances,
d. Personal Accident Insurance Premium,
e. Annual club membership fees.

(vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company.
(viii) Leave and encashment of unavailed leave as per the Rules of the Company.

**c) Performance Linked Bonus:**

In addition to the Salary, Benefits, Perquisites and Allowances, Mr.Pramod Kumar Bhalotia may be paid such remuneration by way of annual performance linked bonus. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
- Industry benchmarks of remuneration,
- Performance of the individual.

**B. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr.Pramod Kumar Bhalotia, the Company has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites and Allowances and Performance linked bonus as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**III. Nature of Duties –**

The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

**IV. Other terms of Appointment**

i) The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and/or children or any other member of the family, in any selling agency of the Company.

ii) The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board/its committee as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made hereinafter in this regard in such manner as may be agreed

between the Board/its committee and the Managing Director, subject to such approvals as may be required.

iii) Either party may terminate this agreement by giving to the other party 3 months' notice of such termination or by surrendering 3 months' remuneration in lieu thereof.

iv) The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of Notice:

(a) If the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or

(b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the agreement to be executed between the Company and the Managing Director; or

(c) In the event the Board of Directors expresses its loss of confidence in the Managing Director.

v) In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board of Directors shall be entitled to terminate his contract on such terms as the Board of Directors may consider appropriate in the circumstances.

vi) Upon the termination by whatever means of the Managing Director's employment: he shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associate companies, if any.

vii) All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to the Managing Director, unless specifically provided otherwise.

viii) The terms and conditions of appointment of the Managing Director also include clauses pertaining to adherence with the intellectual property, non-competition, non-solicitation, no conflict of interest with the Company and maintenance of confidentiality.

ix) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Pramod Kumar Bhalotia will cease to be the Managing Director, and also cease to be a Director. If at any time, Mr. Pramod Kumar Bhalotia ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director, and the Agreement shall forthwith terminate. If at any time, Mr. Pramod Kumar Bhalotia ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and the Managing Director of the Company.

In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr.Pramod Kumar Bhalotia require approval of members by passing special resolution. Your directors therefore recommend to members to approve his appointment as Managing Director by passing special resolution at the ensuing Annual General Meeting.
Except Mr. Pramod Kumar Bhalotia, Mrs.Beena Bhalotia, and Mr.Abhishek Bhalotia none of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at Item No. 7 of the Notice.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

**1. General information:**

a) Nature of Industry: Manufacture of steel pipes

b) Date or expected date of commencement of Commercial Production:
Not applicable (Company is an existing company).

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

d) Financial performance based on given indicators:

**FINANCIAL RESULTS:**

Rs. in lacs

| Period Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from operations & other income | 1,02,218.35 | 85,979.52 |
| Profit before Taxes | 3082.24 | 2758.09 |
| Less: Provision for Taxes, including short provisions for previous year & deferred tax | 794.85 | 736.02 |
| **Net Profit after Taxes** | **2242.08** | **2022.07** |
| **Profit as computed under section o198 of the Act** | **2242.08** | **2022.07** |

Foreign investments or collaborations, if any: NIL

**Information about the appointee:**

**a) Background details:**

Mr.Pramod Kumar Bhalotia was the Managing Director of the company since incorporation

b) Past remuneration:

| Period | Total remuneration |
|---|---|
| 2023-24 | Rs.47.50 lacs |
| 2022-23 | Rs.31.80 lacs |

**Job profile and his suitability:**

In terms of Article of Association of the Company Mr.Pramod Kumar Bhalotia holds the position as a Managing Director of the Company since incorporation and has contributed for building the company to the present level, Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr.Pramod Kumar Bhalotia should be available to the Company.

**d) Remuneration proposed:**

As mentioned above

e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Mr.Pramod Kumar Bhalotia has vast experience in Management. He has rich experience of handling various areas of business and is well known in Steel industry. He has begun a lot of new initiatives in the Company since he joined as Managing Director. Considering their general industry and the specific company profile the proposed remuneration is in line with the industry levels and that of comparatively placed Companies in India.

f) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr.Pramod Kumar Bhalotia is the promoter MD of the company since incorporation and has a relationship with the Company as Managing Director only. He is the major shareholder holding 36.83% equity shares in the company and is being paid salary and rent for the office premises.

His son Mr.Abhishek Bhalotia and wife Mr.Beena Bhalotia and Daughter in law Mrs.Dolly Bhalotia are paid salary for the services rendered.

3. Other information:

Expected increase in productivity and profits in measurable terms:

The Company has drawn up an Annual Business Plan which it will endeavor to achieve.

**ITEM NO.8:**

**APPOINTMENT OF MR.ABHISHEK BHALOTIA AS WHOLE TIME DIRECTOR OF THE COMPANY FOR FIVE YEARS AND FIXING HIS REMUNERATION – SPECIAL RESOLUTION:**

Mr.Abhishek Bhalotia was appointed as Director of the company since 26th September, 2016 and he has been fully involved in the management and administration of the company discharging duties under the superintendence and direction of Managing Director and the board of directors. Since he has contributed a lot for the growth and development of the company, the board of directors have proposed to recommend to shareholders for their approval for appointment of Mr.Abhishek Bhalotia as Whole Time Director of the company for a period of 5 years from 1st October, 2024 and fix his remuneration at Rs.4.50 lacs per month. Mr.Abhishek Bhalotia is one of the key promoter of the company and with his vast experience and expertise he has contributed his efforts in building the company to this level.

Considering his knowledge of various managerial aspects relating to the company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Abhishek Bhalotia should be available to the company for a period of five years with effect from 1st October, 2024. The terms and conditions of his appointment is set out in the notice of Annual General Meeting.

The main terms and conditions for the appointment of Mr.Abhishek Bhalotia as Whole Time Director (WTD), are as follows:

**I. Period -** From 1st October, 2024 to 30th September, 2029

**II.**

**A. Remuneration**

**a) Salary:**

Salary of Rs.4.50 lacs per month; The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**b) Benefits, Perquisites & Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

(i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Salary per annum.
(ii) Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this includes mediclaim insurance premium).
(iii) Car facility as per Rules of the Company.
(iv) Telecommunication facility as per Rules of the Company.
(v) Housing loan facility as per Rules of the Company.
(vi) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum. This includes:

a. Medical allowance,
b. Leave Travel Concession/Allowance,
c. Other Allowances,
d. Personal Accident Insurance Premium,
e. Annual club membership fees.

(vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company.
(viii) Leave and encashment of unavailed leave as per the Rules of the Company.

**c) Performance Linked Bonus:**
In addition to the Salary, Benefits, Perquisites and Allowances, Mr.Abhishek Bhalotia may be paid such remuneration by way of annual performance linked bonus. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
- Industry benchmarks of remuneration,
- Performance of the individual.

**B. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Abhishek Bhalotia, the Company has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites and Allowances and Performance linked bonus as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**III. Nature of Duties –**

The Whole Time Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

**IV. Other terms of Appointment**

i) The Whole Time Director shall not become interested or otherwise concerned, directly or through his spouse and/or children or any other member of the family, in any selling agency of the Company.

ii) The terms and conditions of the appointment of the Whole Time Director(WTD) may be altered and varied from time to time by the Board/its committee as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made hereinafter in this regard in such manner as may be agreed between the Board/its committee and the WTD, subject to such approvals as may be required.

iii) Either party may terminate this agreement by giving to the other party 3 months' notice of such termination or by surrendering 3 months' remuneration in lieu thereof.

iv) The employment of the WTD may be terminated by the Company without notice or payment in lieu of Notice:

a) If the WTD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or

b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by the WTD of any of the stipulations contained in the agreement

to be executed between the Company and the WTD; or In the event the Board of Directors expresses its loss of confidence in the WTD.

c) In the event the WTD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board of Directors shall be entitled to terminate his contract on such terms as the Board of Directors may consider appropriate in the circumstances.

d) Upon the termination by whatever means of the WTD's employment: he shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associate companies, if any.

e) All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to the Whole Time Director, unless specifically provided otherwise.

f) The terms and conditions of appointment of the WTD also include clauses pertaining to adherence with the intellectual property, non-competition, non-solicitation, no conflict of interest with the Company and maintenance of confidentiality.

g) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Abhishek Bhalotia will cease to be the WTD, and also cease to be a Director. If at any time, Mr. Abhishek Bhalotia ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the WTD, and the Agreement shall forthwith terminate. If at any time, Mr. Abhishek Bhalotia ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and the WTD of the Company.

In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr. Abhishek Bhalotia require approval of members by passing special resolution. Your directors therefore recommend to members to approve his appointment as Managing Director by passing special resolution as set out under item no.8 of the Notice of AGM.

# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
email: pramod@rksteel.co.in
CIN: U27106TN2006PLC059519


Except Mr. Pramod Kumar Bhalotia, Mrs.Beena Bhalotia, and Mr.Abhishek Bhalotia none of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolution at Item No. 8 of the Notice.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

**1. General information:**

a) Nature of Industry: Manufacture of steel pipes

b) Date or expected date of commencement of Commercial Production:
Not applicable (Company is an existing company).

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

d) Financial performance based on given indicators:

**FINANCIAL RESULTS:**

**Rs. in lacs**

| Period Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from operations & other income | 1,02,218.35 | 85,979.52 |
| Profit before Taxes | 3082.24 | 2758.09 |
| Less: Provision for Taxes, including short provisions for previous year & deferred tax | 794.85 | 736.02 |
| **Net Profit after Taxes** | **2242.08** | **2022.07** |
| **Profit as computed under section o198 of the Act** | **2242.08** | **2022.07** |

Foreign investments or collaborations, if any: NIL

**Information about the appointee:**

**a) Background details:**

Mr.Abhishek Bhalotia was the Whole Time Director of the company since 2016

**b) Past remuneration:**

| Period | Total remuneration |
|---|---|
| 2023-24 | Rs.54.00 lacs |
| 2022-23 | Rs.39.00 lacs |

**Job profile and his suitability:**

Mr.Abhishek Bhalotia holds the position as a Director of the Company since 2016 and is incharge of overall administration of the company and is involved in the growth and development of the company to the present level, Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr.Abhishek Bhalotia should be available to the Company.

d) **Remuneration proposed:**

As mentioned above

e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Mr.Abhishek Bhalotia has vast experience in Management. He has rich experience of handling various areas of business and is well known in Steel industry. He has begun a lot of new initiatives in the Company since he joined as a Director in whole time employment of the company. Considering their general industry and the specific company profile the proposed remuneration is in line with the industry levels and that of comparatively placed Companies in India.

f) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr.Abhishek Bhalotia is one of the promoter Director of the company and has a relationship with the Company as a Director In whole time employment only. He is holding 14.12% equity shares in the company and is being paid salary. His father Mr.Pramod Kumar Bhalotia and mother Mr.Beena Bhalotia and Wife Mrs.Dolly Bhalotia are paid salary for the services rendered.

**3.** Other information:

Expected increase in productivity and profits in measurable terms:

The Company has drawn up an Annual Business Plan which it will endeavor to achieve.

**ITEM NO.9:**

**APPROVAL FOR ISSUANCE OF BONUS SHARES – ORDINARY RESOLUTION:**

Over the years, the Company has performed significantly well both in terms of profit and business. As on March 31, 2023 total free reserves and surplus of the Company is Rs.85.96 crore including Security Premium Account of Rs.18.46 crore. With a view to capitalize the Security

Premium Account and to rationalize the capital structure, Board of Directors in its meeting held on 2nd November, 2023 have proposed to bonus issue of 1,41,15,180 equity shares of Rs.10/- each in the ratio of 6:1 [i.e. 6 (Six) fully paid up equity shares for every 1 (One) equity shares held] aggregating to Rs.14,11,51,800/-. This bonus allotment will also rationalize the paid up capital of the company with the funds employed in the company and the same was approved by the shareholders in the Extra Ordinary General Meeting held on 28th November, 2023.

However, this resolution being passed when the company was private limited company and subsequently as the company got converted into public limited company, where the shares can be issued only in dematerialized form. As the company has obtained the approval for dematerialization of shares only in September, 2024, your directors have not made allotment of bonus shares as approved by shareholders on 28th November, 2023 and have decided to shelve/rescind the said approval of bonus issue and the relevant resolution passed and filed with Form MGT-14 and seek fresh approval of shareholders in the ensuing Annual General Meeting for bonus shares of 1,41,15,180 equity shares of Rs.10/- each in the ratio of 6:1 [i.e. 6 (Six) fully paid up equity shares for every 1 (One) equity shares held] aggregating to Rs.14,11,51,800/- and then allot the shares immediately thereafter. .

As per the provisions of Sections 63 of the Companies Act, 2013, approval of the shareholders is required to be accorded for issuance of Bonus Shares to the members of the Company by way of passing an Ordinary Resolution. Accordingly, the Directors recommend the matter and the resolution set out under Item no.92 for the approval of the Members by way of passing a Ordinary Resolution.

Pursuant to Section 102 of the Companies Act, 2013, The Board of Directors of the Company do hereby confirm that none of its Director or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

**ITEM NO.10:**
**RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR – ORDINARY RESOLUTION**

The Board of Directors of the Company approved the appointment and remuneration of M/s. STARP & ASSOCIATES, Cost Accountants, (Firm Registration No. 004143) to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be

ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item no. 8 for the approval of Members.

**ITEM NO.11:**

**RATIFICATION OF RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2023-24 – ORDINARY RESOLUTION:**

The company in the Board's report has circulated a tabulation of Related Party Transactions entered into by the company during 2023-24 which were appended as Annexure I to the Boards report. Since these transactions were initiated when the company was a private limited company where the board has approved the transactions. As the company has been converted into Public limited company w.e.f. 9th January, 2024 and as all the promoters directors are deemed to be concerned or interested in the said related party transactions, the board of directors felt that as a matter of abundant caution the said related party transactions as given in annexure I here below be approved and ratified by the shareholders in the ensuing Annual General Meeting.

All the documents referred to in the accompanying notice and explanatory statement are open for inspection between 10.00 am to 12.00 noon on all working days except Saturdays and Sundays and National holidays at the registered office of the company.

Members are hereby informed that pursuant to second proviso to Section 188 of the Act, no member of the company shall vote on the resolution to approve any contracts or arrangement which may be entered into by the company if such member is a related party.

Except Mr.Pramod Kumar Bhalotia, Mr.Abhishek Bhalotia, Directors and their relatives Mrs.Beena Bhalotia and Mrs.Dolly Bhalotia, who are concerned or interested, financially or otherwise in the said resolution, none of the other directors or key managerial personnel are deemed to be concerned or interested in the said resolution.

The Board of Directors of the company recommend the resolution as set out in the Item no.11 in the accompanying notice for ratification and approval of the members.

**ITEM NO.12:**

**APPROVAL FOR APPOINTMENT OF MRS.BEENA BHALOTIA, RELATED PARTY TO OFFICE OF PLACE OF PROFIT – ORDINARY RESOLUTION:**

Pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rues, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the board of directors of the company at its meeting held on 5th September, 2024 had accorded its approval to hold an office of place of profit by Mrs. Beena Bhalotia, being a related party for a period of three (3) years effective from October, 01, 2024 to September, 30, 2027 in the Company. The Details of salary and other terms and conditions of salary payable from the company are given below:

(a) Existing Salary includes basic salary, HRA and other allowances upto Rs.3.00 lacs per month with the powers to the board to revise from time to time subject to its discretion.

(b) Other Perquisites: She will be entitled to other perquisites including company's contribution to providend fund, bonus and leave travel concession in accordance with the rules of the company.

The Board of Directors recommends the resolution set out in Item No.12 to be passed as an Ordinary Resolution.

Except Mrs.Beena Bhalotia, Mr.Pramod Kumar Bhalotia, Mr.Abhishek Bhalotia, Directors and their relative Mrs.Dolly Bhalotia, who are concerned or interested, financially or otherwise in the said resolution, none of the other directors or key managerial personnel are deemed to be concerned or interested in the said resolution.

**ITEM NO.13**

**APPROVAL FOR APPOINTMENT OF MRS.DOLLY BHALOTIA, RELATED PARTY TO OFFICE OF PLACE OF PROFIT – ORDINARY RESOLUTION:**

Pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rues, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the board of directors of the company at its meeting held on 5th September, 2024 had accorded its approval to hold an office of place of profit by Mrs. Dolly Bhalotia, being a related party for a period of three (3) years effective from October, 01, 2024 to September, 30,

2027 in the Company. The Details of salary and other terms and conditions of salary payable from the company are given below:

(a) Existing Salary includes basic salary, HRA and other allowances upto Rs.3.00 lacs per month with the powers to the board to revise from time to time subject to its discretion.

(b) Other Perquisites: She will be entitled to other perquisites including company's contribution to provident fund, bonus and leave travel concession in accordance with the rules of the company.

The Board of Directors recommends the resolution set out in Item No.13 to be passed as an Ordinary Resolution.

Except Mrs.Beena Bhalotia, Mr.Pramod Kumar Bhalotia, Mr.Abhishek Bhalotia, Directors and their relative Mrs.Dolly Bhalotia, who are concerned or interested, financially or otherwise in the said resolution, none of the other directors or key managerial personnel are deemed to be concerned or interested in the said resolution.

**ITEM NO.14:**

**APPROVAL FOR ENTERING INTO CONTRACTS/ ARRANGEMENT/ TRANSACTIONS WITH RELATED PARTY, M/S.KPR TUPES LLP – ORDINARY RESOLUTION:**

The company proposes to enter into contracts/ arrangement/ transaction with the related party M/s.KPR TUBES LLP, for sale of steel tubes and other steel products by the company. Also the company purchases raw materials from M/s.KPR TUBES LLP. These proposed transactions are expected to be long term in nature and will help the company in exploring new markets for its steel products. Accordingly the approval of the shareholders of the company is being sought by way of Ordinary resolution for the material transactions with M/s.KPR TUBES LLP,

i) for sale of steel tubes and other steel products manufactured by the company provided that the total aggregate value of said transactions shall not exceed Rs.20 Crores per financial year;

ii) for purchase of raw materials and/or finished goods of steel products manufactured by the company provided that the total aggregate value of said transactions shall not exceed Rs.20 Crores per financial year

as set out in item no. 14 of this notice Ihe ordinary course of business of the company and at arms length basis as per the applicable provisions of the Act..

The Board of Directors recommends the resolution set out in Item No.14 to be passed as an Ordinary Resolution.

Except Mr.Pramod Kumar Bhalotia, none of the other directors or key managerial personnel are deemed to be concerned or interested in the said resolution.

//By Order of the Board of Directors//
For R.K.STEEL MANUFACTURING CO. LTD.

Place: Chennai
Date: 05.09.2024

PROMOD KUMAR BHALOTIA
MANAGING DIRECTOR (DIN 01115735)

# R.K. STEEL MANUFACTURING COMPANY LIMITED

Regd. Office: No.5, Ground Floor, Branson Garden Street, Kilpauk, Chennai 600 010
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CIN: U27106TN2006PLC059519

ANNEXURE 1

FOR ITEM NO.11: RATIFICATION OF RELATED PARTY TRANSACTIONS

| Sl. No. | Name(s) of the related party and nature of relationship | Nature of relationship | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient features of the contracts or arrangements or transactions including the value (Rs.) | Date of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|---|---|
| 1 | Mr.Pramod Kumar Bhalotia | Managing Director | Salary | 2023-24 | Incharge of overall management of the company on whole time basis<br><br>Remuneration: Rs.47.50 lacs | 10/04/2023 | NIL |
| | | | Rent | | Rent paid for the Premises of the director given on lease to the company<br>Rent: 3.00 lacs | | |
| 2 | Mr.Abishek Bhalotia | Director | Salary | 2023-24 | Incharge of Marketing & sales of the company on whole time basis<br><br>Salary:Rs.54.00 lacs | 10/04/2023 | NIL |
| 3 | Mrs.Beena Bhalotia | Wife of MD Mr.Pramod Kumar Bhalotia | Salary | 2023-24 | Incharge of Administration of the company on whole time basis<br><br>Salary: Rs.24.00 lacs | 10/04/2023 | NIL |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | Mrs.Dolly Bhalotia | Wife of Director Mr.Abhishak Bhalotia | Salary | 2023-24 | Incharge of Marketing & sales of the company on whole time basis<br><br>Salary:Rs.24.10 lacs | 10/04/2023 | NIL |
| 5 | KPR TUPES LLP | Mr.Rajesh Bhalotia brother of MD Mr.Pramod Kumar Bhalotia is Designated partner of the LLP | Sales & Purchases made | 2023-34 | Sales and purchases made in the ordinary course of business at arms length basis<br><br>Sales: 53221496<br>Purchases: 25565898/- | 10/04/2023 | NI |