

RAUNAQ STEELS TRADING PRIVATE LIMITED

CIN U27109TN2002PTC048892

Registered Address: 65A, Halls Road, Kilpauk, Chennai – 600010

E-Mail: accounts@raunaqsteels.com, Phone Number:044-42971234

BOARD'S REPORT

To

The Members,

The Directors take pleasure in presenting the 21st Annual Report of the Company together with the Audited Statement of Accounts for the period ended 31st March 2023 and the Auditors Report thereon. All amounts in this report and its annexure are in INR Lakhs unless otherwise stated.

FINANCIAL SUMMARY:

During the year your Company has successfully carried out business resulting into the following results.

| Particulars | Year ended 31 st March 2023 | Year ended 31 st March 2022 |
|---|--|--|
| Total Revenue | 1,27,661.98 | 1,16,639.13 |
| Total Expenses | 1,22,735.66 | 1,09,579.88 |
| Profit before Exceptional Items and Tax | 4926.31 | 7059.25 |
| Exceptional Item | - | - |
| Net Profit before Tax | 4926.31 | 7059.25 |
| Provision for Tax | 1272.35 | 1798.07 |
| Net Profit after Tax | 3653.96 | 5261.18 |

FINANCIAL AND OPERATIONAL REVIEW:

The Company earned a Net profit of Rs.3,653.96 Lakhs as against Rs.5,261.18 lakhs in the previous year. Your Directors are taking effective steps to improvise the operations of the company in the coming years too for much better results in the ensuing financial years.

The Company has been awarded the distributorship of Structural and flat products by Steel Authority of India Ltd.

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AWARDS & ACCOLADES WON DURING THE YEAR

During the period under review, your company continued to be recognized as No.1 lifter of Steel Materials from Steel Authority of India Ltd in trade segment in South India.

DEPOSITS:

The Company has neither accepted nor has any outstanding unclaimed or unpaid deposits during the financial year under review.

SHARE CAPITAL:

The Paid-up Share Capital of the Company as on 31stMarch2023 is Rs. 2,50,00,000divided into 25,00,000 Equity Shares of Rs.10/- each.

DIVIDENDS:

The Board of Directors has not declared any dividend during the year 2022- 2023.

TRANSFER TO RESERVES:

The Board of the Company has decided /proposed to carry the entire financial earnings of the year 2022-2023 to the Surplus in Profit and Loss Account. It is proposed not to, not statutorily required to, transfer appropriate amounts to any Reserves Accounts.

MATERIAL CHANGES AND COMMITMENTS WHICH HAVE OCCURRED SINCE 31ST MARCH 2023 TILL THE DATE OF THIS REPORT:

There are no material Changes and commitments affecting the financial position of the Company which has occurred since 31stMarch 2023 till the date of this report.

CHANGE IN THE NATURE OF BUSINESS IF ANY:

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

There was no change in details of directors/Key Managerial Personnel during the year. Mr. Leeladhar Rungta , one of the directors resigned from the board w.e.f. 28.06.2023.

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NUMBER OF MEETINGS OF THE BOARD:

The Board met 6 (Six) times during the financial year ended 31st March 2023, the details of which are given below. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

| S.No. | Date of the Board Meeting | Attendance Details |
|-------|---------------------------|--|
| 1. | 25.04.2022 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta, Mr. .Surendra Kumar Jindal, Mr. LeeladharRungta |
| 2. | 11.08.2022 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta, Mr. LeeladharRungta |
| 3. | 30.08.2022 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta, Mr. LeeladharRungta |
| 4. | 14.12.2022 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta |
| 5. | 31.01.2023 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta |
| 6 | 15-03-2023 | Mr. Sudarshan Kumar Rungta, Mr. Surendra Kumar Rungta |

BOARD COMMITTEES:

Corporate Social Responsibility Committee was constituted to formulate and recommend the Corporate Social Responsibility policy, indicating the activities to be undertaken by the Company as specified in Companies Act, 2013.

The composition of the Committee is as below:

| Name | Category | Designation |
|----------------------------|--------------------|-------------|
| Mr. Sudarshan Kumar Rungta | Wholetime Director | Chairman |
| Mr. Surendra Kumar Rungta | Wholetime Director | Member |

The Corporate Social Responsibility Committee met twice during the financial year on 25.08.2022 and 21.02.2023.

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CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Company has adopted CSR Policy as required under Section 135 of the Companies Act, 2013. Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and reason of inability to spend two percent of the average net profit to CSR activities is also attached herewith as **Annexure - A** and forms part of this report

INTERNAL AUDIT

Your Company is covered by the provisions of Rule 13 (1) (c) of the Companies(Accounts) Rules 2014. The Board had formulated the scope, functioning, periodicity and methodology for conducting the Internal Audit of the Accounts of the Company. An independent Accounting Professional carried out an Internal Audit of the Accounts for the Financial year 2022-23. He conducted the audit on quarterly basis and submitted his report to the Board. The reports of the Auditors were reviewed by the Board at its regular meetings, wherein corrective actions were suggested and its follow ups were also ensured by the Board at its subsequent meetings.

DECLARATION BY INDEPENDENT DIRECTOR/SECRETARIAL AUDIT REPORT/AUDIT COMMITTEE

As the Company is a closely held unlisted Private Limited Company appointment and declarations u/s 149(6) of CA, 2013 of Independent Directors do not arise. So do the provisions pertaining to the conduction of Secretarial Audit, Audit and other Committees, Board's own Evaluation, Vigil Mechanism, Corporate Governance and Listing Agreement Compliances. One of the Whole Time Directors Mr. Sudarshan Kumar Rungta had been authorized to take such appropriate steps and actions to cater to all the above matters, including the vigil mechanism.

MANAGERIAL REMUNERATION

Details of Managerial Remuneration required to be disclosed in Boards Report as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| S.NO | Director's Name | Designation | Salary/month | Salary/Year |
|------|----------------------------|-------------|--------------|--------------|
| 1 | Mr. Sudarshan Kumar Rungta | Whole Time | 8,00,000.00 | 96,00,000.00 |

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| | | | | |
|---|--------------------------|---------------------------------|-------------|--------------|
| | | Director | | |
| 2 | Mr.Surendra Kumar Rungta | Whole Time Director | 7,00,000.00 | 84,00,000.00 |
| 3 | Mr.LeeladharRungta | Whole Time Director | 1,50,000.00 | 18,00,000.00 |
| 4 | Mr.Surendra Kumar Jindal | Whole Time Director | 1,26,667.00 | 15,20,000.00 |
| 5 | Ajit Kumar Jain | Chief Financial Officer(CFO) | 95,900. 00 | 11,50,800.00 |

NAMES OF COMPANIES, WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year there is no change in subsidiaries / Joint Ventures or associate companies.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The details of transactions entered with related parties are provided in **Form AOC-2** which is annexed to this report as **Annexure –B** and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Details of investments are contained in the financial statements enclosed to this report. The Company has not given any loans or guarantees during the year.

LOANS FROM DIRECTORS:

There was no loan which was received during the year by the Company from its Directors.

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COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

AUDITORS:

The Statutory Auditors of the Company **M/s. RAGUNATH & CO**, Chartered Accountants, Chennai, were appointed as the Auditors of the Company in the AGM held in the year 2022 to hold the office till the conclusion of the ensuing Annual General Meeting of the Company to be held in the year 2027. The Auditors have confirmed their eligibility to continue as auditors.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

For the financial year under review, the Auditor has not reported about any fraud by the company or any fraud on the company by its officers or employees.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The company has adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuing compliance.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31.03.2022.

DISCLOSURE ON MAINTENANCE OF COST RECORDS

The Company is not required to maintain any cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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

➤ **Conservation of Energy:**

The operations of your Company are not energy intensive. The Company has however, taken adequate measures to conserve energy consumption. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses the financial impact of these measures is not material and hence not measured.

- i. Steps taken or impact on conservation of energy – The Company is a trading Company. It does not consume heavy power to warrant reporting under this. The Company is consuming power and fuel at their maximum efficiency.
- ii. Steps taken by the Company for utilizing alternate sources of energy - Your Company had not initiated any steps for utilizing alternate sources of Energy as the consumption of energy is already at its optimum and minimum levels and its component cost of sales is insignificant.
- iii. Capital investment on energy conservation equipments - NIL

➤ **Technology Absorption:**

The Company has no activities relating to technology absorption.

➤ **Foreign Exchange Earnings and Outgo:**

The earnings/expenditure in foreign currency is given below:

| Particulars | As on 31.03.2022 | As on 31.03.2021 |
|------------------------------|------------------|------------------|
| Earnings in Foreign Currency | NIL | NIL |
| Expenses in Foreign Currency | NIL | NIL |

RISK MANAGEMENT:

The board meets regularly to discuss on the business risks to which company is exposed and the measures and means to contain it. No separate risk management policy is framed.

VIGIL MECHANISM POLICY:

Your Company is committed to adhere to the ethical standards of business operations. To maintain the standards, Your Company encourages the employees to directly report of any concerns, misconduct or any victimization to the Top Management without fear of punishment or unfair Treatment.

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DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance to Section 134 (5) of the Companies Act, 2013 we hereby confirm that:

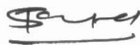
- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) 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.

ACKNOWLEDGEMENT:

The Board on record its appreciation for the dedication services rendered and co-operation extended by the employees at all levels of your company. The Board also acknowledges the support and valuable guidance received from Customers, Suppliers, particularly, Steel Authority of India, Rashtriya Ipat Nigam Ltd, Jindal Steel & power Ltd, Bankers particularly Citi Bank, HSBC Bank, State Bank of India, Consultants, Facilitators and Central and State Government Departments. Your Board also expresses its gratitude to the Shareholders for their unstinted support.

For and On Behalf of the Board,

For **RAUNAQ STEELS TRADING PRIVATE LIMITED**



Surendra Kumar Rungta

Wholetime Director

DIN: 00672582



Sudarshan Kumar Rungta

Wholetime Director

DIN: 00664191

Place: Chennai

Date: 23.08.2023



RAUNAQ STEELS TRADING PVT LTD



"Rungta House"
65/A Halls Road Kilpauk
Chennai - 600 010.
GSTIN: 33AACCR2710B1Z7

T : +91 0 44 4297 1234
mail@raunaqsteels.com
accounts@raunaqsteels.com
CIN: U27109TN2002PTC048892

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

Raunaq's CSR Philosophy

Raunaq's, by which your Company is known in the industry, stated purpose is to "Make a Difference". This purpose has defined our reason to exist; we have always believed that we exist to benefit of the entire ecosystem of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Customers, Suppliers, their relatives, Consumers, Associates, Employees, Government, Environment & Society and that we have a commitment to all these Stakeholders. We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in Making a Difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem. Raunaq's Corporate Social Responsibility Policy (CSRP) is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential.

The CSR Pivots

While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Companies Act, 2013, in order to build focus and have a more impactful execution – with a view to make a difference - Raunaq's CSR efforts will be primarily dedicated in areas which include the following

Scalability of social organizations

Raunaq believes in unlocking the sufferings of economically downtrodden in India having issues in their relationships with the ecosystem and their capacity to have proper living conditions in their physical systems through its intervention to aid them scale faster and thus create a sustainable and equitable impact on the social ecosystem. Raunaq will strive to foster this value through innovation and other means to deliver scale and direct impact thereby benefiting the underserved communities.

Community Development

Community Development is integral for building a harmonious relationship with the community dwelling in the periphery where Raunaq operates which will go long in supporting one another for a sustainable growth. Raunaq will therefore work towards upliftment of communities and villages that border Raunaq workplaces / Centers.

Education

Raunaq also believes that one of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Further, infusing innovation in Education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement.

Health Care

Raunaq is a keen proponent of affordable Healthcare and hopes to innovatively create impact in this sector. We aim towards preventive as well as facilitative health care of India's populace. Operating under the stated Vision of enriching lives of those having medical issues, the organization has identified patient centricity, integrity, teamwork, ownership and innovation as its core operating Values.

In providing guidance on its conduct, Raunaq has chosen to articulate the following, amongst others, principles under its Code of Conduct :

- Conduct our operations in an honest and fair manner with integrity and openness.
- Respect human rights, dignity and legitimate interests of all individuals directly and indirectly associated with us.
- Provide a safe, healthy work and business environment to all persons directly and indirectly associated with us.
- At all times ensure conduct, which sustains, enhances the global reputation and image of Raunaq.

Livelihood enhancement

Providing livelihood opportunities is critical for economic empowerment of the nation. Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is therefore another thrust of our CSR

Philosophy

Raunaq believes and strives towards a healthier and happier family. Raunaq believes in sustainable development, growing our business in a socially and environmentally responsible way, while meeting the legitimate interests of our stakeholders. Raunaq believes it, along with all its employee members, is an important participant of society and as such has an obligation to participate and drive social change not only in the areas of its competence but also in such which impact its existence and sustainability. Raunaq believes in taking an active role and responsibility in empowering communities in which it operates through social development initiatives which drive positive change and support its objective in improving and sustaining the health and wellbeing of humanity. Raunaq's CSR aims at being linked to sustainable development; economic, social and environmental requirements of society as a whole and of future generations.

Objective

Raunaq through this Policy and its initiatives under CSR aims at:

- Creating and driving positive impact and outcomes in social development.
- Working to increase easy availability of healthcare to serve society and the community it operates in and through their help improve the health and quality of life.
- Sustainable investment towards fulfilling its obligations as a member of society and enhancing its relationships with all its stakeholders and communities including its employees.
- Fulfilling its social responsibilities alongside its normal business activities.

As stated earlier our policies and objectives will evolve, and over time harmonize our long term and short term goals in CSR. Our ultimate goal is to wholesomely and positively impact the communities we are associated with irrespective of linkage to our core operating areas of Trading in Steel Products. In the short term and consistent with that view we propose to utilize and leverage our competencies and work in areas associated with healthcare.

Applicability

This policy is applicable to Raunaq and all Associates whether falling under the Section 135 of the Act or not. In an effort to maximize the impact of CSR activities as undertaken under the present policy, it is the stated intention to align such programs of all concerned with Raunaq either by designating Raunaq identified vehicle as their special designated vehicle(s) for CSR or by having them contribute and participate in the established programs through Trusts having Objectives as stated in Schedule VII of the Companies Act, 2013. It is also the stated intention of Raunaq to align and partner with external partners in the true spirit of “togetherness” to maximize the impact and contribution to social development and change. In that regard while this Policy may provide a foundation and context for such alignments, the scope of this Policy is not meant to restrict opportunities for any such alliance which can be structured to meet the needs of the partner and its objectives.

Policy Statement

As a responsible Company, saving and enriching lives, improving and managing the health of its customers and serving the community all converge to define the purpose of Raunaq’s core business. Drawing from its vision and mission statement, through CSR Raunaq seeks to proactively engage with society by working with communities to improve their well-being in a compassionate and sensitive manner. Raunaq seeks to bring focus to community welfare in Healthcare and education.

Within this overarching Policy, the Company implements its CSR initiatives, under the following principles:

- Adopt Healthcare and Education as the primary focus for CSR intervention. Starting with healthcare, overtime the areas will include education, environment and capacity building for sustained wellbeing.
- The initiatives will be targeted to the needs of the disadvantaged, vulnerable and marginalized sections of the society.
- To achieve tangible outcomes such initiatives would be structured to focus on 2?3 important concerns within geriatric care.
- Efficiency, sustainability and relevance will be driving principles of all programs.
- Inclusive and collaborative participation (internal and external) would form the base of all CSR initiatives and programs. Includes the creation of employee engagement opportunities to support, encourage and embed social consciousness and develop a feel good factor in their professional life.

- Build and leverage partnerships with likeminded Individuals, Corporates and Institutions for achieving positive change.

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. Sudarshan Kumar Rungta | Chairman and Whole Time Director | 2 | 2 |
| 2. | Mr. Surendra Kumar Rungta | Member and Whole Time Director | 2 | 2 |

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 – Attached

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 (attach the report) – Not Applicable

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 – Not Applicable

6. Average net profit of the company as per section 135(5) – **INR 38,94,16,848**

7. (a) Two percent of average net profit of the company as per section 135(5) – **INR 77,88,337/-**

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

(c) Amount required to be set off for the financial year, if any – Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). **INR 77,88,337/-**

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) | | |
| | S.No | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1,011,000 | 1 | 62,77,337 | 28.04.2023 | | | |
| | 2 | 2,00,000 | 07.07.2023 | | | |
| | 3 | 3,00,000 | 29.08.2023 | | | |

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

[illegible]

(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 |
| 1 | S.V. Prana ndana Trust | Social Welfare | Yes | Tamil Nadu | Chennai | 10,11,000 | Yes | | - |

(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) - INR 10,11,000/-

(g) Excess amount for set off, if any- Nil

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 7,788,337 |
| (ii) | Total amount spent for the Financial Year | 1,011,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years[(iii)-(iv)] | Nil |

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 | 2021-22 | - | - | - | - | - | - |
| 2 | 2020-21 | - | - | - | - | - | - |
| 3 | 2019-20 | 20,43,359 | - | - | - | - | - |
| | Total | 20,43,359 | - | - | - | - | - |

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

| (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). Not Applicable

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

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

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

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

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 is in discussion with local communities to understand their needs to make a meaningful expenditure which is beneficial to the society.

For and On Behalf of the Board,

For **RAUNAQ STEELS TRADING PRIVATE LIMITED**



Surendra Kumar Rungta

Wholetime Director

DIN: 00672582



Sudarshan Kumar Rungta

Wholetime Director

DIN: 00664191

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E-Mail: accounts@raunaqsteels.com, Phone Number: 044-42971234

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

| | |
|--|--|
| Name(s) of the related party and nature of relationship | |
| Nature of contracts/ arrangements/ transactions | |
| Duration of the contracts / arrangements / transactions | |
| Salient terms of the contracts or arrangements or transactions including the value, if any | |
| Name(s) of the related party and nature of relationship | |

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

(In Rupees)

| | | |
|---|---|------------------------|
| Name(s) of the related party and nature of relationship | Meenakshi Steel Corporation (Company having common Directors) | |
| Nature of contracts /arrangements /transactions | Purchase of raw materials, components and traded goods | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 79,50,81,826.00 /- | Rs. 11,20,13,646.00 /- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

RAUNAQ STEELS TRADING PRIVATE LIMITED

CIN U27109TN2002PTC048892

Registered Address: 65A, Halls Road, Kilpauk, Chennai – 600010

E-Mail: accounts@raunaqsteels.com, Phone Number: 044-42971234

| Name(s) of the related party and nature of relationship | BGS Steel Industries Private Limited (Company having common Directors) | |
|---|---|--------------------|
| Nature of contracts /arrangements /transactions | Purchase of raw materials, components and traded goods | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 7,83,78,215.00/- | Rs. 14,75,484.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

| Name(s) of the related party and nature of relationship | Ralago Engineering Private Limited (Company having common Directors) | |
|---|---|----------------------|
| Nature of contracts /arrangements /transactions | Purchase of raw materials, components and traded goods | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 23,54,43,168.00/- | Rs. 2,12,33,841.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

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| Name(s) of the related party and nature of relationship | Raunaq Foundation (Company having common Directors) | |
|---|---|--------------------|
| Nature of contracts /arrangements /transactions | Purchase of raw materials, components and traded goods | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 26,66,66,749.00/- | Rs. 6,26,651.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

| Name(s) of the related party and nature of relationship | RSJ Traders & Fabricators (Company having common Directors) | |
|---|---|-----------------------|
| Nature of contracts /arrangements /transactions | Purchase of raw materials, components and traded goods | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 29,35,48,409.00/- | Rs. 19,27,87,229.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

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| | |
|---|---|
| Name(s) of the related party and nature of relationship | Auraplus Homes LLP (LLP having common management) |
| Nature of contracts /arrangements /transactions | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 17,93,300.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | | |
|---|---|--------------------|
| Name(s) of the related party and nature of relationship | Sudarshan Kumar Rungta (Whole Time Director) | |
| Nature of contracts /arrangements /transactions | Managerial Remuneration | Rent |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 96,00,000.00 | Rs. 1,34,52,000.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

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| Name(s) of the related party and nature of relationship | Surendra Kumar Rungta (Whole Time Director) | |
|---|---|------------------|
| Nature of contracts /arrangements /transactions | Managerial Remuneration | Rent |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 84,00,000.00 | Rs. 28,32,000.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | |

| Name(s) of the related party and nature of relationship | Leeladhar Rungta (Whole Time Director) | | |
|---|---|------------------|--------------------|
| Nature of contracts /arrangements /transactions | Managerial Remuneration | Rent | Sales and Services |
| Duration of the contracts / arrangements/ transactions | 2022-2023 | 2022-2023 | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 18,00,000.00 | Rs. 42,48,000.00 | Rs. 3,72,125.00/- |
| Date(s) of approval by the Board, if any: | 23.08.2023 | 23.08.2023 | 23.08.2023 |
| Amount paid as advances, if any: | - | - | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies | | |

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| | |
|--|---|
| Name(s) of the related party and nature of relationship | Anmol Rungta (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 6,13,500.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | |
|--|---|
| Name(s) of the related party and nature of relationship | Sarita Rungta (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Rent |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 49,56,000.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | |
|--|---|
| Name(s) of the related party and nature of relationship | Raunaq Rungta (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 62,77,500.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

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| | |
|--|---|
| Name(s) of the related party and nature of relationship | Rochan Rungta (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 62,77,500.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | - |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | |
|--|---|
| Name(s) of the related party and nature of relationship | Saket Rungta (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 62,77,500.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | |
|--|---|
| Name(s) of the related party and nature of relationship | Surendra Kumar Jindal (Whole-time Director) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 15,20,000.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

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| | |
|--|---|
| Name(s) of the related party and nature of relationship | Ajit Kumar Jain (Chief Financial Officer) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 11,50,800.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

| | |
|--|---|
| Name(s) of the related party and nature of relationship | Mamta Jain (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 6,87,500.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

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| | |
|---|---|
| Name(s) of the related party and nature of relationship | Sambabhi Jain (Relative of KMP) |
| Nature of contracts /arrangements /transactions | Salary |
| Duration of the contracts / arrangements/ transactions | 2022-2023 |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | Rs. 3,00,000.00 |
| Date(s) of approval by the Board, if any: | 23.08.2023 |
| Amount paid as advances, if any: | |
| Justification for entering into the contract / arrangement / transaction | All transactions are in the ordinary course of business at arm's length basis for group synergies |

For and On Behalf of the Board
For **RAUNAQ STEELS TRADING PRIVATE LIMITED**



Sudarshan Kumar Rungta
Wholetime Director
DIN: 00664191



Surendra Kumar Rungta
Wholetime Director
DIN: 00672582

DATE: 23.08.2023

PLACE: CHENNAI

INDEPENDENT AUDITORS' REPORT

To the Members of Raunaq Steels Trading Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Raunaq Steels Trading Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the 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 standards prescribed under section 133 of the Act read with Companies (Accounting Standard) Rules 2015 , as amended (Accounting Standards) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and its cash flows for the year then ended.

Basis for opinion

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



Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report together with the Annexures thereto, but does not include the Financial statements and our Auditor's Report thereon.

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

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

Responsibilities of Management and those charged with Governance for the financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

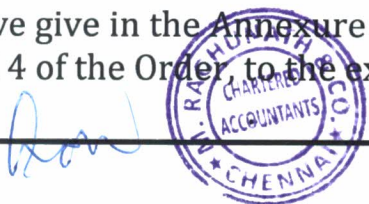
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in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

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

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

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 paragraphs 3 and 4 of the Order, to the extent applicable.

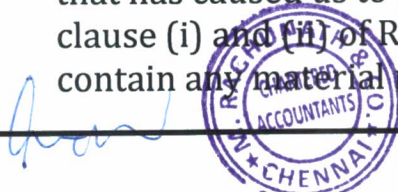


2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Statement of cash flows 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.
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. In our opinion and best of our information and explanations given to us, the Company being a private limited company, the requirements of section 197 of Act, related to the managerial remuneration of the Act is not applicable; and



- h. With respect to other matters to be included in the Auditors' 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 explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts,
 - (a) 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; and
 - (b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- (v) The Company has neither declared nor paid any dividend during the year, hence reporting under section 123 of the Act is not applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For M.Raghunath & Co.,
Firm Registration Number: 003347S
Chartered Accountants



M.Raghunath
Partner

Membership Number: 015501

Place: Chennai

Date: 23rd August 2023

UDIN: 23015501BGVYM F8364

Annexure A to the Independent Auditors' report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of Raunaq Steels trading private limited ("the Company") for the year ended March 31, 2023)

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment on the basis of available information.

The Company has maintained proper records showing full particulars of Intangible Assets.

b) The property , plant and equipment were physically verified by the Management according to a phased programme designed to cover all the items over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including right of use asset) and Intangible Assets during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.

(f) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.



2) In respect of the Company's inventories:

(i) The inventories except for goods in transit, were physical verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedure by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.

(ii) The statements filed by the company with banks are in agreement with the books of the company.

3) (i) In our opinion and according to information and explanation given to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties.

4) In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security. The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made.

5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and relevant Rules framed thereunder. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

6) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable

7) In respect of statutory dues:

(i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees State Insurance, income-tax, Professional tax, sales tax, value added tax, GST, Wealth Tax, Duty of customs, Duty of Excise, Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.



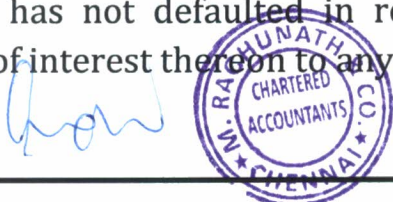
(ii) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employees State Insurance, income-tax, sales tax, value added tax, Wealth Tax, Duty of customs, Duty of Excise, Professional Tax, Service tax, GST and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable

(iii) According to the records of the company the dues outstanding on account of Central Sales tax 1956 and Sales tax act of various states dispute are as follows:

| Name of the Statute | Nature of Dues | Amount (Rs) | Period to which the amount relates | Forum where dispute is pending | Amount paid under Protest |
|--|-----------------------------|-------------|---------------------------------------|--------------------------------|---------------------------|
| Central Sales Tax, 1956 and Sales Tax Acts of various states | Sales Tax/VAT and Entry Tax | 17,14,469 # | Various years from 2005-06 to 2009-10 | Joint Commissioner (Legal) | |

8) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.

9) (i) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year



(ii) In our opinion and according to the information and explanations given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution or Government or any Government authority.

(iii) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(iv) According to the information and explanations given to us and on overall examination of the Balance sheet of the Company, we report funds raised on short term basis have, prima facie not been used during the year for long term purposes by the company.

(v) 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.

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

10) a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable

b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.

11) a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us, clause 3(xi) (c), is not applicable to the company

12) According to the information and explanations given to us, the Company is not a Nidhi Company as per Section 406 of the Act. Accordingly, clause 3(xii)(a) to (xii)(c), of the Order are not applicable to the company.

13) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. The provisions of Section 177 of the Act do not apply to the company.

14) a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with the size and nature of its business

b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures

15) According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16) According to the information and explanations given to us the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

17) The company has not incurred cash losses in the Financial Year and there was no cash loss in the immediately preceding Financial Year.



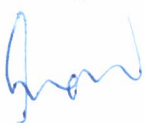
18) There has been no resignation of the statutory auditors during the year.

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

20) The Company is yet to transfer the unspent amount to a fund specified in Schedule VII to the Companies Act as at 31st March 2023. The details of balance outstanding and subsequent payment are given in Note 24 of the financial statements.

21) In our opinion and according to the information and explanations given to us, the Company does not have investment in subsidiaries / associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable

For M.Raghunath & Co.,
Chartered Accountants
(Firm's Registration No. 003347S)



M.Raghunath
Partner

Membership No. 015501

Place: Chennai

Date: 23rd August 2023

UDIN: 23015501BGVYMF8364

Annexure “B” to the Independent Auditor’s Report

Report on the internal financial controls with reference to financial statements under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Raunaq Steels Trading Private Limited of even date)

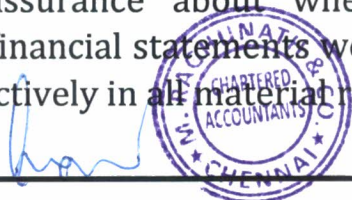
We have audited the internal financial controls with reference to financial statements of Raunaq Steels Trading Private Limited (“the Company”) as at March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.



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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to financial statements



M.Raghunath & Co.,

Chartered Accountants

New No.22, Old No.83/2,

Millers Road, Kilpauk,

Chennai – 600 010.

Ph : 044 -25323463

Email:- mrnathca@yahoo.com

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

Opinion

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

For M.Raghunath & Co.,

Firm Registration Number: 003347S

Chartered Accountants



M.Raghunath

Partner

Membership Number: 015501

Place: Chennai

Date: 23rd August 2023

UDIN: 23015501B6VYMF 8364

BALANCE SHEET AS AT 31/03/2023

CIN: U27109TN2002PTC048892

[All the amounts are stated in Rupees, unless otherwise stated]

| Particulars | NOTE NO. | As at 31/03/2023 | As at 31/03/2022 |
|--|----------|-----------------------|-----------------------|
| A EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 2 | 2,50,00,000 | 2,50,00,000 |
| (b) Reserves and Surplus | 3 | 1,80,81,98,081 | 1,44,28,01,964 |
| | | 1,83,31,98,081 | 1,46,78,01,964 |
| 2. Non-Current Liabilities | | | |
| (a) Long-Term Provisions | 4 | - | 10,16,299 |
| (b) Deferred Tax Liability (Net) | | - | - |
| | | - | 10,16,299 |
| 3. Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 1,26,38,71,206 | 1,52,70,35,791 |
| (b) Trade Payables | 6 | - | - |
| Due to Micro enterprises and small enterprises | | 48,73,053 | 5,84,65,979 |
| Due to Others | 7 | 12,27,00,361 | 21,20,34,303 |
| (c) Other current liabilities | | 1,39,14,44,620 | 1,79,75,36,073 |
| TOTAL | | 3,22,46,42,701 | 3,26,63,54,336 |
| B ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Property, Plant and Equipment and Intangible | 8 | | |
| i. Property, Plant and Equipment | | 4,65,94,383 | 3,16,08,595 |
| ii. Intangible Assets | | - | - |
| iii. Capital Work In Progress - Building | | - | 15,58,931 |
| | | 4,65,94,383 | 3,31,67,526 |
| (b) Deferred Tax Asset (Net) | | 16,13,553 | 22,54,792 |
| (c) Long-Term Loans And Advances | 9 | 8,26,99,885 | 16,22,45,361 |
| (d) Other Non- Current Asset | 10 | 1,19,37,818 | 97,50,963 |
| | | 9,46,37,703 | 17,19,96,324 |
| 2. Current Assets | | | |
| (a) Inventories | 11 | 1,81,97,24,193 | 2,01,96,10,841 |
| (b) Trade Receivables | 12 | 1,22,65,65,498 | 95,90,76,201 |
| (c) Cash and Bank Balances | 13 | 1,81,11,550 | 1,13,54,410 |
| (d) Short-Term Loans and Advances | 14 | 1,73,95,821 | 6,88,94,242 |
| | | 3,08,17,97,062 | 3,05,89,35,694 |
| TOTAL | | 3,22,46,42,701 | 3,26,63,54,336 |

Summary of Significant Accounting Policies 1
The Accompanying Notes are an integral part of financial statements.
As per our Report of event Date attached

For M. Raghunath & Co.,
Chartered Accountants
Firm Registration Number : ERN 003347S

CA. M. Raghunath
Partner

Membership Number : 015501

Place: Chennai

Date : 23/08/2023



For and on behalf of the Board of Directors of
RAUNAQ STEELS TRADING PVT LTD

[DIRECTOR]

[DIRECTOR]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2023

[All the amounts are stated in Rupees, unless otherwise stated]

| Particulars | | NOTE NO. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|-------------|---|----------|--------------------------------|--------------------------------|
| 1 | Revenue from operations | 15 | 12,69,80,55,359 | 11,61,07,42,287 |
| 2 | Other income | 16 | 6,81,42,596 | 5,31,70,851 |
| 3 | Total Revenue (1+2) | | 12,76,61,97,955 | 11,66,39,13,138 |
| 4 | Expenses : | | | |
| | (a) Purchase of stock-in-trade | 17 | 11,78,54,55,918 | 11,48,82,22,819 |
| | (b) Changes in inventories | 18 | 19,98,86,648 | (75,51,76,761) |
| | (c) Employee benefits expense | 19 | 7,92,07,317 | 7,43,12,106 |
| | (d) Finance Costs | 20 | 9,49,83,026 | 7,76,12,035 |
| | (e) Depreciation and amortisation expense | 8 | 90,40,198 | 74,56,979 |
| | (f) Other Expenses | 21 | 10,49,93,493 | 6,55,60,793 |
| 5 | Total Expenses | | 12,27,35,66,600 | 10,95,79,87,971 |
| 6 | Profit before tax (3 - 5) | | 49,26,31,356 | 70,59,25,167 |
| 7 | Tax Expenses: | | | |
| | (a) Current tax | | 12,65,94,000 | 18,22,21,000 |
| | (b) Deferred tax | | 6,41,239 | (24,13,680) |
| 8 | Profit for the year (6 - 7) | | 36,53,96,117 | 52,61,17,847 |
| 9 | Earnings per share (of Rs.10/- each) : | | | |
| | 1. Basic (In Rupees) | | 146.16 | 210.45 |
| | 2. Diluted (In Rupees) | | 146.16 | 210.45 |
| | 3. Face Value of Rs.10 each | | | |

Summary of Significant Accounting Policies

1

The Notes are an integral part of financial statements.

As per our Report of event Date attached

For M. Raghunath & Co.,
Chartered Accountants
Firm Registration Number : FRN 003347S

CA. M. Raghunath
Partner
Membership Number : 015501



For and on behalf of the Board of Directors
For RAUNAQ STEELS TRADING PVT LTD

[DIRECTOR]

[DIRECTOR]

Place: Chennai
Date : 23/08/2023

STATEMENT OF CASH FLOW

| Particulars | Year Ended 31-03-2023 | | Year Ended 31-03-2022 | |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax | | 49,26,31,356 | | 70,59,25,167 |
| <u>Adjustments For :</u> | | | | |
| Depreciation | 90,40,198 | | 74,56,979 | |
| Profit on sale of asset | (2,82,469) | | - | |
| Advances written off | 2,19,511 | | - | |
| Bad debts written off | 54,780 | | 10,87,694 | |
| Interest Received | (1,44,37,214) | | (1,22,51,543) | |
| Interest Paid | 9,49,83,026 | | 7,76,12,035 | |
| Operating Profit before working capital changes | 8,95,77,832 | 58,22,09,187 | 7,39,05,164 | 77,98,30,332 |
| <u>Adjustments for Changes in Working Capital :</u> | | | | |
| Trade and Other Receivables | (26,75,44,084) | | (14,33,09,857) | |
| Increase in Inventories | 19,98,86,648 | | (75,51,76,761) | |
| Other Current assets including short term | 12,86,71,249 | | (11,54,60,779) | |
| Long term provisions | (10,16,299) | | 10,16,299 | |
| Trade and Other Payables | (5,35,92,926) | | (16,37,96,935) | |
| Other Current Liabilities | (8,93,33,942) | | 12,58,33,654 | |
| Cash Generated From Operations | (8,29,29,354) | 49,92,79,833 | (1,05,08,94,379) | (27,10,64,047) |
| Less: Direct Taxes Paid | | 12,66,27,717 | | 18,20,12,638 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | | 37,26,52,116 | | (45,30,76,685) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets/Capital Work In Progress | | (2,25,30,481) | | (58,99,929) |
| Sale of Fixed Assets | | 3,45,901 | | - |
| Interest Received | | 1,44,37,214 | | 1,22,51,543 |
| Movement in Other Bank balances | | (5,12,259) | | (1,03,51,166) |
| NET CASH USED IN INVESTING ACTIVITIES | | (82,59,624) | | (39,99,552) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Movement in Borrowings | | (26,31,64,585) | | 53,52,65,454 |
| Interest Paid | | (9,49,83,026) | | (7,76,12,035) |
| NET CASH INFLOW FROM FINANCING ACTIVITIES | | (35,81,47,611) | | 45,76,53,420 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | | 62,44,881 | | 5,77,183 |
| CASH AND CASH EQUIVALENTS - OPENING BALANCE | | 10,03,244 | | 4,26,061 |
| CASH AND CASH EQUIVALENTS - CLOSING BALANCE | | 72,48,125 | | 10,03,244 |

| | | | | |
|--|--|------------------|----------|------------------|
| Cash and Cash Equivalents as per Balance Sheet -Note No 13 | | 1,81,11,550 | - | 1,13,54,410 |
| Less : Deposits not considered as Cash and Cash equivalents as defined in AS -3 Cash flow statements | | 1,08,63,425 | | 1,03,51,166 |
| | | | | |
| Cash and Cash equivalents as per AS -3 | | 72,48,125 | - | 10,03,244 |

For M. Raghunath & Co.,
Chartered Accountants
Firm Registration Number : FRN 0033475

CA. M. Raghunath
Partner
Membership Number : 015501
Place: Chennai
Date : 23/08/2023



For and on behalf of the Board of Directors of
RAUNAQ STEELS TRADING PVT LTD

[DIRECTOR]

[DIRECTOR]

Note 1.

SIGNIFICANT ACCOUNTING POLICIES:

Company Overview

Raunaq Steels Trading Pvt Ltd is steel trading company. It was incorporated on 7th May 2002. The Company deals in long and flat products in mild steel. The Company deals the materials of SAIL, RINL, JSPL, JSW and other companies.

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

B) RECOGNITION OF INCOME AND EXPENDITURE

- The company adopts mercantile system of accounting and recognizes its income and expenditure on accrual basis in accordance with the applicable accounting standards.

C) REVENUE RECOGNITION

- Sale of goods is recognized only when the risk and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Dividend Income is recognized when the right to receive the payment is established.

D) PROPERTY, PLANT AND EQUIPMENT

❖ **Tangible Assets :**

Tangible Assets are stated at cost less accumulated depreciation and net of impairment, if any. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

Subsequent expenditures related to an item of Tangible Assets are added to its book value only if they increase the future benefit from the existing asset beyond its previously assessed standard of performance.

❖ **Intangible Assets :**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, less accumulated amortization/depletion and impairment loss, if any. The cost comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contract and adjustments arising from exchange rate variation attributable to the intangible assets.



E) DEPRECIATION, AMORTISATION AND DEPLETION

- Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method using the useful life and residual value in accordance with the Schedule II of Companies Act, 2013 during the year.
- The cost and accumulated depreciation for Property, Plant and Equipment sold or otherwise disposed off are removed from the stated values and the resulting gains and losses are recognized in the Statement of Profit and Loss.
- Leasehold land is amortized over the period of lease.

F) IMPAIRMENT OF ASSETS

- An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimated of recoverable amount.

G) INVENTORIES

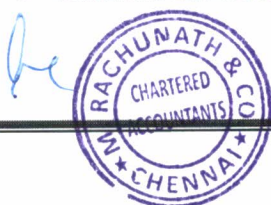
- Items of Inventories are measured at lower of cost or net realizable value as per FIFO basis. The stock of Traded Goods is inclusive of duties & taxes paid to bringing them to their respective location and condition.

H) EARNINGS PER SHARE

- The company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard. Basic Earnings per share is computed by dividing the net profit after tax (PAT) by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earnings per share the net profit after tax and the weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential shares if any.

I) INVESTMENTS

- Non Current Investments are stated at the actual Rupee value of the investment made. Provision for the diminution in the value of Non Current investment is made only if such a decline is other than temporary.
- Current Investments are carried at lower of cost and fair value.



J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- A Provision is recognized in the accounts when there is a present obligation as a result of a past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent assets are neither recognized nor disclosed.

K) TAXES ON INCOME

- Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future.
- Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

L) USE OF ESTIMATES

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

M) BORROWING COSTS

- Borrowing Costs include exchange differences arising from foreign currency borrowings if any to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of Profit and Loss in the period in which they are incurred.

R



N) EMPLOYEE BENEFITS

❖ Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employees are recognized as an expense during the period when the employees render the services.

❖ Post Employment Benefits

➤ Defined Contribution Plans

The company makes specified monthly contributions towards Provident Fund and Employees' State Insurance Corporation. The Company's contribution is recognized an expense in the Statement of Profit And Loss during the period in which the employee renders the related service.

➤ Defined Benefit Plans

The liability in respect of defined benefit plans and other post employment benefits is calculated using the Actuary valuation and spread over the period during which the benefit is expected to be derived from employees services.

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

O) CONTINGENT LIABILITIES

➤ There is demand against the Company but the Company has not acknowledged as debts and it has preferred the appeal and the matters are pending in appeal.

| Name of the Statute | Nature of Dues | Amount (in Rs.) | Period to which the amount relates | Forum where dispute is pending. |
|--|--|--|---------------------------------------|---------------------------------|
| Central Sales Tax Act, 1956 and Sales Tax Acts of various states | Sales Tax/VAT and Entry Tax | 17,14,469 (17,14,469) | Various years from 2005-06 to 2009-10 | Joint Commissioner (Legal) |
| Letter of Credit | Bill discounted under letter of credit and outstanding | 26,15,94,249 (14,97,66,936) | | |
| Total Contingent Liabilities | | 26,15,94,249 (15,14,81,405) | | |

Note: Previous year figures have been given in bracket



NOTES TO THE FINANCIAL STATEMENTS

[All the amounts are stated in Rupees, unless otherwise stated]

| | As at 31/03/2023 | | As at 31/03/2022 | |
|---|------------------|--------------------|------------------|--------------------|
| 2. SHARE CAPITAL | No. of Shares | INR | No. of Shares | INR |
| (a) <u>Authorised Share Capital</u> | | | | |
| Equity shares of INR 10 Each | 30,00,000 | 3,00,00,000 | 30,00,000 | 3,00,00,000 |
| (b) <u>Issued, Subscribed and Fully Paid Up</u> | | | | |
| Equity shares of INR 10 Each | 25,00,000 | 2,50,00,000 | 25,00,000 | 2,50,00,000 |
| Total | 25,00,000 | 2,50,00,000 | 25,00,000 | 2,50,00,000 |

2.1 Rights, preferences and restrictions attached to shares :-

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Every equity shareholder is entitled to one vote per share and will rank pari passu with each other in all respects. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion of the number of the equity shares held by the Shareholders.

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

| | As at 31/03/2023 | | As at 31/03/2022 | |
|------------------------------------|------------------|-------------|------------------|-------------|
| Particulars | No. of Shares | INR | No. of Shares | INR |
| <u>Equity Shares</u> | | | | |
| At the Beginning of the year | 25,00,000 | 2,50,00,000 | 25,00,000 | 2,50,00,000 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 25,00,000 | 2,50,00,000 | 25,00,000 | 2,50,00,000 |

(ii) Details of shareholders holding more than 5% shares in the Company

| | As at 31/03/2023 | | As at 31/03/2022 | |
|---|------------------|-----------|------------------|-----------|
| Equity Shares of INR 10 each fully Paid | No of Shares | % Holding | No of Shares | % Holding |
| Sudarshan Kumar Rungta | 4,10,000 | 16.40% | 4,10,000 | 16.40% |
| Surendra Kumar Rungta | 2,70,000 | 10.80% | 2,70,000 | 10.80% |
| Leeladhar Rungta | 1,75,000 | 7.00% | 1,75,000 | 7.00% |
| Ranjana Rungta | 1,30,000 | 5.20% | 1,30,000 | 5.20% |
| High Rise Dealer Pvt Ltd | 2,85,000 | 11.40% | 2,85,000 | 11.40% |
| Rochan Rungta | 1,80,000 | 7.20% | 1,80,000 | 7.20% |
| Sudarshan Kumar Rungta HUF | 1,30,000 | 5.20% | 1,30,000 | 5.20% |
| Raunaq Rungta | 1,40,000 | 5.60% | 1,40,000 | 5.60% |

(iii) Shares held by promoters at the end of the Year

| Promoter name | As at 31.03.2023 | | % Change during the year | As at 31.03.2022 | | % Change during the year |
|----------------------------|--------------------|-------------------|--------------------------|--------------------|-------------------|--------------------------|
| | No. of shares held | % of total Shares | | No. of shares held | % of total Shares | |
| Sudarshan Kumar Rungta | 4,10,000.00 | 16.40% | - | 4,10,000.00 | 16.40% | - |
| Surendra Kumar Rungta | 2,70,000.00 | 10.80% | - | 2,70,000.00 | 10.80% | - |
| Leeladhar Rungta | 1,75,000.00 | 7.00% | - | 1,75,000.00 | 7.00% | - |
| Ranjana Rungta | 1,30,000.00 | 5.20% | - | 1,30,000.00 | 5.20% | - |
| Rochan Rungta | 1,80,000.00 | 7.20% | - | 1,80,000.00 | 7.20% | - |
| Sudarshan Kumar Rungta HUF | 1,30,000.00 | 5.20% | - | 1,30,000.00 | 5.20% | - |
| Raunaq Rungta | 1,40,000.00 | 5.60% | - | 1,40,000.00 | 5.60% | - |
| Surendra Kumar Rungta HUF | 60,000.00 | 2.40% | - | 60,000.00 | 2.40% | - |
| Leeladhar Rungta HUF | 50,000.00 | 2.00% | - | 50,000.00 | 2.00% | - |
| Bina Rungta | 1,20,000.00 | 4.80% | - | 1,20,000.00 | 4.80% | - |
| Sarita Rungta | 1,20,000.00 | 4.80% | - | 1,20,000.00 | 4.80% | - |
| Saket Rungta | 1,10,000.00 | 4.40% | - | 1,10,000.00 | 4.40% | - |
| Khusboo Rungta | 1,20,000.00 | 4.80% | - | 1,20,000.00 | 4.80% | - |
| Nikita Rungta | 80,000.00 | 3.20% | - | 80,000.00 | 3.20% | - |
| Yuvleen Rungta | 1,20,000.00 | 4.80% | - | 1,20,000.00 | 4.80% | - |
| Total | 22,15,000 | 88.60% | 0.00% | 22,15,000 | 88.60% | 0.00% |

3. RESERVES AND SURPLUS(a) Surplus / (Deficit) in Statement of Profit and Loss :

| | | |
|---------------------------------------|-----------------------|-----------------------|
| Opening balance | 1,44,28,01,964 | 91,66,84,117 |
| Add : Net Profit for the current year | 36,53,96,117 | 52,61,17,847 |
| As at the end of the year | 1,80,81,98,081 | 1,44,28,01,964 |



NOTES TO THE FINANCIAL STATEMENTS

[All the amounts are stated in Rupees, unless otherwise stated]

As at 31/03/2023

As at 31/03/2022

4. LONG - TERM PROVISIONS

- (a) Provision for Employee Benefits

Net of Provision

Total

-

-

10,16,299

10,16,299

5. SHORT-TERM BORROWINGS

- (a)
- Secured Loans from Banks :

- i. Loan facility - CITI Bank Over Draft

8,42,12,347

39,62,38,173

- ii Loan facility - CITI Bank WCDL

70,00,00,000

62,00,00,000

(The above Credit facility is secured by way of First Pari Passu Charge on Current Assets and Fixed Assets of the company, the loan is also personally guaranteed by directors, First Charge on some Immovable properties owned by the Directors)

- iii Working Capital Loan facility - HSBC Bank

47,66,88,604

29,73,03,760

(The above Credit facility is secured by way of First Pari Passu Charge on Current Assets and Fixed Assets of the company, the loan is also personally guaranteed by directors. First Charge on some Immovable properties owned by the Directors)

- iv Over Draft Facility From State Bank of India

-

16,97,12,900

(For the above Credit facility Charge has been created by way of Hypothecation of SAIL Stock and pertaining receivables thereof including advance remittance made to SAIL and collaterally secured by the Immovable properties and the Loan personally guaranteed by directors)

- v Over Draft Facility From Axis Bank

29,70,255

1,23,27,928

(The above Credit facility is Against Fixed Deposits)

- vi Over Draft Facility From Indian Overseas Bank

-

3,14,53,031

(The above Credit facility is Against Fixed Deposit of the Director)

Total

1,26,38,71,206

1,52,70,35,791



NOTES TO THE FINANCIAL STATEMENTS

[All the amounts are stated in Rupees, unless otherwise stated]

As at 31/03/2023

As at 31/03/2022

6. TRADE PAYABLES

| | | | |
|-----|--|------------------|--------------------|
| (a) | Total Outstanding dues of Micro and Small Enterprises (Refer Note 24) | - | - |
| (b) | Total Outstanding dues of Creditors other than Micro and Small Enterprises | 48,73,053 | 5,84,65,979 |
| | Total | 48,73,053 | 5,84,65,979 |

| SN | Particulars | As at 31.03.2023 | | | | | |
|-------|------------------------|------------------|--|-----------|-----------|-------------------|------------------|
| | | Not Due | Outstanding for the following periods from date of the Transaction | | | | |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | MSME | - | - | - | - | - | - |
| (ii) | Others | 17,23,510 | - | - | - | 31,49,543 | 48,73,053 |
| (iii) | Disputed dues – MSME | - | - | - | - | - | - |
| (iv) | Disputed dues – Others | - | - | - | - | - | - |
| | Total | - | 17,23,510 | - | - | 31,49,543 | 48,73,053 |

| SN | Particulars | Not Due | As at 31.03.2022 | | | | |
|-------|------------------------|----------|--|------------------|--------------------|-------------------|--------------------|
| | | | Outstanding for the following periods from date of the Transaction | | | | |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | MSME | - | - | - | - | - | - |
| (ii) | Others | - | 3,75,77,838 | 23,73,861 | 1,80,19,910 | 4,94,370 | 5,84,65,979 |
| (iii) | Disputed dues – MSME | - | - | - | - | - | - |
| (iv) | Disputed dues – Others | - | - | - | - | - | - |
| | Total | - | 3,75,77,838 | 23,73,861 | 1,80,19,910 | 4,94,370 | 5,84,65,979 |

7. OTHER CURRENT LIABILITIES

| | | | |
|-----|------------------------|---------------------|---------------------|
| (a) | Statutory Dues | 75,42,841 | 1,01,44,018 |
| (b) | Advance from Customers | 9,42,30,946 | 16,78,07,982 |
| (c) | Creditors for Expenses | 79,43,887 | 3,15,63,562 |
| (d) | Other Payables | 1,29,82,687 | 25,18,741 |
| | Total | 12,27,00,361 | 21,20,34,303 |

9. LONG-TERM LOANS AND ADVANCES

(Unsecured Considered Good)

| | | | |
|-----|--|--------------------|---------------------|
| (a) | Advance Tax and Tax Deducted at source (Net of Provision for taxes) | 8,02,634 | 7,68,915 |
| (b) | Balances with Government Authorities | 8,07,54,797 | 16,14,76,446 |
| (c) | Gratuity Fund (Net) | 11,42,454 | - |
| | Total | 8,26,99,885 | 16,22,45,361 |

10. OTHER NON- CURRENT ASSET

(Unsecured Considered Good)

| | | | |
|-----|-------------------|--------------------|------------------|
| (a) | Security Deposits | 1,19,37,818 | 97,50,963 |
| | Total | 1,19,37,818 | 97,50,963 |

11. INVENTORIES

Lower of cost or Net realizable value

| | | | |
|-----|--------------------|-----------------------|-----------------------|
| (a) | Stock - in - Trade | 1,81,97,24,193 | 2,01,96,10,841 |
| | Total | 1,81,97,24,193 | 2,01,96,10,841 |



NOTES TO THE FINANCIAL STATEMENTS

[All the amounts are stated in Rupees, unless otherwise stated]

As at 31/03/2023

As at 31/03/2022

12. TRADE RECEIVABLES (Unsecured)

| | | |
|--|-----------------------|---------------------|
| (a) Undisputed Trade receivables — considered good | 1,21,90,25,074 | 95,89,10,556 |
| (b) Undisputed Trade Receivables — considered doubtful | - | - |
| (c) Disputed Trade Receivables considered good | - | - |
| (d) Disputed Trade Receivables considered doubtful | 75,40,424 | 1,65,645 |
| Total | 1,22,65,65,498 | 95,90,76,201 |

| SN | Particulars | As at 31.03.2023 | | | | | | |
|-------|--|------------------|--|--------------------|--------------------|------------------|-------------------|-----------------------|
| | | Not Due | Outstanding for the following periods from the date of transaction | | | | | Total |
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | Undisputed Trade receivables — considered good | - | 1,19,07,19,614 | 1,46,18,223 | 1,15,59,172 | 21,28,065 | - | 1,21,90,25,074 |
| (ii) | Undisputed Trade Receivables — considered doubtful | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | 42,52,205 | 42,52,205 |
| (iv) | Disputed Trade Receivables considered doubtful | - | - | - | - | - | 32,88,218 | 32,88,218 |
| | Total | | 1,19,07,19,614 | 1,46,18,223 | 1,15,59,172 | 21,28,065 | 75,40,424 | 1,22,65,65,498 |

| SN | Particulars | As at 31.03.2022 | | | | | | |
|-------|--|------------------|--|--------------------|------------------|------------------|-------------------|---------------------|
| | | Not Due | Outstanding for the following periods from the date of transaction | | | | | |
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | Undisputed Trade receivables — considered good | - | 93,43,16,186 | 1,25,86,476 | 34,54,385 | 25,46,229 | - | 95,29,03,276 |
| (ii) | Undisputed Trade Receivables — considered doubtful | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | 8,63,167 | 8,63,167 |
| (iv) | Disputed Trade Receivables considered doubtful | - | - | - | - | - | 53,09,757.68 | 53,09,758 |
| | Total | - | 93,43,16,186 | 1,25,86,476 | 34,54,385 | 25,46,229 | 61,72,925 | 95,90,76,201 |

13. CASH AND BANK BALANCES

| | | |
|---|--------------------|--------------------|
| (a) Cash And Cash Equivalents | | |
| i. Cash on hand | 54,866 | 1,64,660 |
| ii. Balances with Bank - In Current Accounts | 71,93,259 | 8,38,584 |
| (b) Other Bank Balances | | |
| In Term Deposit Accounts held as margin money (Maturity period of more than 12 months) | 1,08,63,425 | 1,03,51,166 |
| Total | 1,81,11,550 | 1,13,54,410 |

14. SHORT-TERM LOANS AND ADVANCES

| | | |
|---------------------------------------|--------------------|--------------------|
| (a) <u>Unsecured, considered good</u> | | |
| (i) Advance to Suppliers | 1,01,12,655 | 6,06,08,532 |
| (ii) Advances to Employees | 58,80,639 | 51,78,424 |
| (iii) Advance to Others | 11,40,066 | 27,84,307 |
| (iv) Prepaid Expenses | 2,62,461 | 3,22,979 |
| Total | 1,73,95,821 | 6,88,94,242 |



| NOTES TO THE FINANCIAL STATEMENTS | Year Ended 31/03/2023 | Year Ended 31/03/2022 |
|---|--------------------------|--------------------------|
| [All the amounts are stated in Rupees, unless otherwise stated] | | |
| 15 REVENUE FROM OPERATIONS | | |
| (a) Sales | 11,95,94,60,151 | 11,12,35,05,028 |
| (b) Other Operating Revenues | 73,85,95,209 | 48,72,37,259 |
| Total | 12,69,80,55,359 | 11,61,07,42,287 |
| 16 OTHER INCOME | | |
| (a) Interest Income | 1,44,37,214 | 1,22,51,543 |
| (b) Profit on Sale of Fixed Assets | 2,82,469 | - |
| (c) Other Non Operating Income | 5,34,22,913 | 4,09,19,308 |
| Total | 6,81,42,596 | 5,31,70,851 |
| 17 PURCHASE OF STOCK-IN-TRADE | | |
| (a) Purchase of materials | 11,56,27,94,150 | 11,27,14,14,025 |
| (b) Direct Expenses | 22,26,61,768 | 21,68,08,794 |
| Total | 11,78,54,55,918 | 11,48,82,22,819 |
| 18 CHANGES IN INVENTORIES | | |
| (a) Opening Stock | 2,01,96,10,841 | 1,26,44,34,080 |
| (b) Closing Stock | 1,81,97,24,193 | 2,01,96,10,841 |
| | 19,98,86,648 | (75,51,76,761) |
| 19 EMPLOYEE BENEFITS EXPENSE | | |
| (a) Salaries and Wages | 6,89,82,039 | 6,45,65,274 |
| (b) Contribution to Provident and Other Funds | 52,65,014 | 55,34,408 |
| (c) Staff Welfare expenses | 49,60,264 | 42,12,424 |
| Total | 7,92,07,317 | 7,43,12,106 |
| 20 FINANCE COSTS | | |
| (a) Interest - Banks | 9,03,96,509 | 5,92,03,960 |
| (b) Interest - Others | 45,86,517 | 1,84,08,075 |
| Total | 9,49,83,026 | 7,76,12,035 |

hcr



| NOTES TO THE FINANCIAL STATEMENTS | Year Ended 31/03/2023 | Year Ended 31/03/2022 |
|---|--------------------------|--------------------------|
| [All the amounts are stated in Rupees, unless otherwise stated] | | |
| 21 OTHER EXPENSES | | |
| Advertisement Expenses | 26,38,673 | 3,85,303 |
| Auditors' Remuneration | 66,000 | 1,56,000 |
| Bad Debts Written Off | 54,780 | 10,87,694 |
| Bank Charges | 1,54,559 | 9,39,194 |
| Advance Written Off | 2,19,511 | |
| Brokerage & Commission | 2,51,26,975 | 89,47,905 |
| CSR Expenditure | 77,88,337 | 54,28,700 |
| Donation | 2,48,500 | 23,100 |
| Electricity Expenses | 12,25,667 | 9,62,053 |
| Insurance | 9,71,493 | 2,60,026 |
| Impact Testing Charges | 19,755 | - |
| Legal & Professional Expenses | 28,19,078 | 22,92,239 |
| Miscellaneous Expenses | 56,15,841 | 44,99,283 |
| Printing & Stationery | 7,13,942 | 5,17,839 |
| Rates & Taxes | 2,62,464 | 1,34,568 |
| Rent | 2,72,15,097 | 1,77,92,927 |
| <u>Repairs & Maintenance</u> | | |
| - Building | 26,43,487 | 34,79,572 |
| - Machinery | 18,87,862 | 18,81,937 |
| - Vehicles | 27,44,741 | 24,92,469 |
| Selling Expenses | 1,49,87,202 | 1,10,28,905 |
| Telephone & Communication | 5,40,160 | 5,95,850 |
| Travelling & Conveyance | 70,49,369 | 26,55,228 |
| Total | 10,49,93,493 | 6,55,60,793 |
| (a) <u>Payments to the Auditors' comprise :</u> | | |
| As Auditors | | |
| - Statutory Audit | 42,000 | 42,000 |
| - Tax Audit | 24,000 | 24,000 |
| - Others | - | 90,000 |
| Total | 66,000 | 1,56,000 |



RAUNAQ STEELS TRADING PVT LTD

Annual Report 2022-23

NOTE NO : 8 Property Plant and Equipments

[All the Amounts are stated in Rupees, unless otherwise stated]

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------------------|-------------------|---------------------------------|---------------------------------|-------------------|-------------------|--------------|----------------------|---|----------------|-------------------|
| | As on 01.04.22 | Additions during the year | Deletions during the year | As on 31.03.23 | As on 01.04.22 | For the year | Depn on Deletions | Total Depreciation as on 31.03.23 | As on 31.03.23 | As on 31.03.22 |
| (A) TANGIBLE | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold Land | 38,03,312 | - | - | 38,03,312 | - | - | - | - | 38,03,312 | 38,03,312 |
| Shed at Vichoor | 1,07,73,879 | 36,70,055 | | 1,44,43,934 | 11,02,579 | 11,01,404 | - | 22,03,983 | 1,22,39,951 | 96,71,300 |
| Plant & Machinery | 1,85,55,801 | 40,91,495 | | 2,26,47,296 | 1,06,71,390 | 14,73,783 | - | 1,21,45,173 | 1,05,02,123 | 78,84,410 |
| Weigh bridge | 17,52,589 | 16,65,179 | | 34,17,768 | 15,73,524 | 1,04,708 | - | 16,78,232 | 17,39,535.87 | 1,79,066 |
| Office Equipments | 61,31,284 | 12,10,017 | | 73,41,301 | 43,79,943 | 9,71,133 | - | 53,51,076 | 19,90,225 | 17,66,941 |
| Computers | 23,15,475 | 7,36,943 | - | 30,52,418 | 17,18,151 | 5,09,527 | | 22,27,678 | 8,24,741 | 5,81,724 |
| Vehicles | 2,00,76,758 | 1,24,06,696 | 8,32,659 | 3,16,50,795 | 1,40,63,111 | 43,66,804 | 7,69,227 | 1,76,60,688 | 1,39,90,112 | 60,13,648 |
| Lorry Eicher | 22,95,143 | - | | 22,95,143 | 13,47,825 | 2,88,681 | | 16,36,506 | 6,58,637 | 9,47,318 |
| Furnitures and Fixtures | 15,07,500 | 3,09,028 | | 18,16,528 | 7,46,623 | 2,24,158 | | 9,70,780 | 8,45,747 | 7,60,877 |
| Total (A) | 6,72,11,741 | 2,40,89,412 | 8,32,659 | 9,04,68,494 | 3,56,03,146 | 90,40,198 | 7,69,227 | 4,38,74,116 | 4,65,94,383 | 3,16,08,595 |
| (B) INTANGIBLE | | | | | | | | | | |
| Software | 3,34,750 | - | - | 3,34,750 | 3,34,750 | - | - | 3,34,750 | (0) | - |
| Total (B) | 3,34,750 | - | - | 3,34,750 | 3,34,750 | - | - | 3,34,750 | (0) | - |
| Grand Total (A+B) | 6,75,46,491 | 2,40,89,412 | 8,32,659 | 9,08,03,244 | 3,59,37,896 | 90,40,198 | 7,69,227 | 4,42,08,866 | 4,65,94,383 | 3,16,08,595 |
| CWIP | 15,58,928 | 1,56,802 | 17,15,730 | | - | - | - | - | | 15,58,928 |



RAUNAQ STEELS TRADING PVT LTD

NOTE NO : 8 Property Plant and Equipments

[All the Amounts are stated in Rupees, unless otherwise stated]

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|--------------------------|--------------------|---------------------------------|---------------------------------|--------------------|--------------------|------------------|----------------------|---|--------------------|--------------------|
| | As on 01.04.21 | Additions during the year | Deletions during the year | As on 31.03.22 | As on 01.04.21 | For the year | Depn on Deletions | Total Depreciation as on 31.03.22 | As on 31.03.22 | As on 31.03.21 |
| (A) TANGIBLE | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold Land | 38,03,312 | - | - | 38,03,312 | - | - | - | - | 38,03,312 | 38,03,312 |
| Shed at Vichoor | 1,07,73,879 | - | - | 1,07,73,879 | 86,960 | 10,15,619 | - | 11,02,579 | 96,71,300 | 1,06,86,919 |
| Plant & Machinery | 1,59,18,801 | 26,37,000 | - | 1,85,55,801 | 94,11,350 | 12,60,038 | - | 1,06,71,388 | 78,84,410 | 65,07,451 |
| Weigh bridge | 17,52,589 | - | - | 17,52,589 | 15,22,539 | 50,985 | - | 15,73,523 | 1,79,066 | 2,30,050 |
| Office Equipments | 53,91,066 | 7,40,215 | - | 61,31,284 | 32,44,425 | 11,19,917 | - | 43,64,343 | 17,66,941 | 21,46,645 |
| Computers | 17,90,206 | 5,25,269 | - | 23,15,475 | 12,84,268 | 4,49,482 | - | 17,33,750 | 5,81,724 | 5,05,937 |
| Vehicles | 1,98,82,564 | 1,94,194 | - | 2,00,76,758 | 1,14,14,879 | 26,48,231 | - | 1,40,63,110 | 60,13,648 | 84,67,685 |
| Lorry Eicher | 22,95,143 | - | - | 22,95,143 | 9,28,021 | 4,19,804 | - | 13,47,825 | 9,47,318 | 13,67,122 |
| Furnitures and Fixtures | 12,63,180 | 2,44,320 | - | 15,07,500 | 4,94,872 | 2,51,752 | - | 7,46,623 | 7,60,877 | 7,68,308 |
| Total (A) | 6,28,70,740 | 43,40,998 | - | 6,72,11,741 | 2,83,87,315 | 72,15,828 | - | 3,56,03,142 | 3,16,08,595 | 3,44,83,430 |
| (B) INTANGIBLE | | | | | | | | | | |
| Software | 3,34,750 | - | - | 3,34,750 | 93,599 | 2,41,151 | - | 3,34,750 | - | 2,41,151 |
| Total (B) | 3,34,750 | - | - | 3,34,750 | 93,599 | 2,41,151 | - | 3,34,750 | - | 2,41,151 |
| Grand Total (A+B) | 6,32,05,490 | 43,40,998 | - | 6,75,46,491 | 2,84,80,913 | 74,56,979 | - | 3,59,37,892 | 3,16,08,595 | 3,47,24,581 |
| CWIP | - | 15,58,928 | - | 15,58,928 | - | - | - | - | 15,58,928 | - |

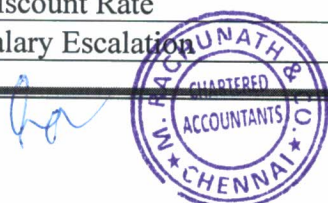


22. EMPLOYEE BENEFITS

Disclosure Pursuant to Indian Accounting Standards (Ind AS) 19 “Employee Benefits”

Accrued Gratuity Liability
Valuation Date: 31/03/2023

| | Year ending 31/03/2023 | Year ending 31/03/2023 |
|--|------------------------------|------------------------------|
| | Rupees | Rupees |
| Table Showing changes in present value of Obligation As on 31/03/2023 | | |
| Present value of obligations as at beginning of year | 78,04,683 | 54,77,402 |
| Interest cost | 5,64,086 | 3,83,418 |
| Current Service Cost | 12,79,731 | 7,86,588 |
| Benefits Paid | (3,52,212) | (76,154) |
| Actuarial (gain)/ loss on obligations | 54,203 | 12,33,429 |
| Present value of obligations as at end of year | 93,50,491 | 78,04,683 |
| Table showing changes in the fair value of plan assets as on 31/03/2023 | - | |
| Fair value of plan assets at beginning of year Expected return on plan assets | 67,88,384 | 64,70,178 |
| Expected return on plan assets | 6,46,711 | 3,94,360 |
| Contributions | 34,10,063 | - |
| Benefits Paid | (3,52,212) | (76,154) |
| Actuarial gain/(loss) on Plan assets | NIL | NIL |
| Fair value of plan assets at the end of year | 1,04,92,945 | 67,88,384 |
| Table showing fair value of plan assets | - | |
| Actual Gain / Loss recognized As On 31/03/2023 | - | |
| Actuarial (gain)/ loss on obligations | (54,203) | (12,33,429) |
| Actuarial (gain)/ loss for the year - plan assets | NIL | NIL |
| Actuarial (gain)/ loss on obligations | 54,203 | 12,33,429 |
| Actuarial (gain)/ loss recognized in the year | 54,203 | 12,33,429 |
| The amounts to be recognized in the balance sheet and statements of profit and loss | - | |
| Present value of obligations as at the end of year | 93,50,491 | 78,04,683 |
| Fair value of plan assets as at the end of the year | 1,04,92,945 | 67,88,384 |
| Funded status | 11,42,454 | -10,16,299 |
| Net asset/(liability) recognized in balance sheet | 11,42,454 | -10,16,299 |
| Expenses Recognised in statement of Profit and loss | - | |
| Current Service cost | 12,79,731 | 7,86,588 |
| Interest Cost | 5,64,086 | 3,83,418 |
| Expected return on plan assets | (6,46,711) | (3,94,360) |
| Net Actuarial (gain)/ loss recognized in the year | 54,203 | 12,33,429 |
| Expenses recognised in statement of Profit and loss | 12,51,309 | 20,09,075 |
| Principal Actuarial Assumptions | | |
| Discount Rate | 7.25% | 7% |
| Salary Escalation | 5% | 7% |



23. DUES TO MICRO AND SMALL ENTERPRISES

- The Company has not received information from all the Vendors regarding their status under the Micro and Small Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the yearend together with Interest Paid / Payable under this Act have not been given.

24. CSR EXPENDITURE

The Total amount of CSR Expenditure Debited in Statement of Profit and Loss and to be spent is (Rs. 77,88,337/-)

| | | | | |
|---|----------------|----------------------|------------------------|-------------|
| (a) Amount Required to be spent by the company during the year | 77,88,337/- | | | |
| (b) Amount of expenditure incurred | 10,11,000/- | | | |
| (c) Shortfall at the end of the year | 67,77,337/- | | | |
| (d) Total of previous years shortfall. | - | | | |
| (e) reason for shortfall | | | | |
| (f) nature of CSR activities | | | | |
| (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR Expenditure | Not applicable | | | |
| (h) movements in provisions | Opening | Paid during the year | Provision for the year | Closing |
| | | 10,11,000/- | 67,77,337/- | 67,77,337/- |





25. REMUNERATION TO DIRECTOR

| Amount in Rs. | | |
|-------------------------|----------------------------|----------------------------|
| | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
| Directors' Remuneration | 2,13,20,000 | 2,08,50,000 |

26. PAYMENT TO AUDITORS (NET OF GST):

| Amount in Rs. | | |
|------------------------|----------------------------|----------------------------|
| | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
| (a) Auditor : | | |
| ➤ Statutory Audit Fees | 42,000 | 42,000 |
| ➤ Tax Audit Fees | 24,000 | 24,000 |
| ➤ Other Services | - | 90,000 |
| TOTAL | 66,000 | 1,56,000 |

27. PARTICULARS IN RESPECT OF GOODS TRADED

| Particulars | 2022-2023 | 2021-2022 |
|---------------------------|---------------|---------------|
| Purchase of Flat Products | 837,40,70,024 | 855,04,23,037 |
| Purchase of Long Products | 318,87,24,126 | 272,09,90,988 |

28. DEFERRED TAXATION

- The components of deferred tax Liability (-) / Assets/ (Net) as at the balance sheet date are as follows:

| Particulars | As at 31-Mar-2023 | As at 31-Mar-2022 |
|--|----------------------|----------------------|
| Tax impact of expenses charged in the financial statements but allowable as deduction in future years under Income Tax Act | (2,87,533) | 7,55,506 |
| Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax return | 19,01,086 | 14,99,286 |
| Total | 16,13,553 | 22,54,792 |

29. EARNINGS PER SHARE

- In accordance with Accounting Standard – 20 “Earnings per Share” the earnings per share has been computed as under:

| Particulars | Amt. in Rs. | |
|---|----------------------------|----------------------------|
| | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
| Net Profit after tax as per profit and loss account | 36,53,96,117 | 52,61,17,847 |
| Basic/Diluted | | |
| Weighted average number of equity shares of Rs. 10/- each outstanding during the year | 25,00,000 | 25,00,000 |
| Earnings per share – Basic & Diluted | 146.16 | 210.45 |

30. RELATED PARTY DISCLOSURES

- As per Accounting Standard – 18, the disclosures of transactions with the related parties are given below:

| S.No | Name of the Related Party | Relationship |
|------|----------------------------|---------------------------------------|
| 1. | Mr. Sudarshan Kumar Rungta | Key Management Personnel |
| 2. | Mr. Surendra Kumar Rungta | |
| 3. | Mr. Leeladhar Rungta | |
| 4. | Mr. Surendra Kumar Jindal | |
| 5. | Mr. Ajit Kumar Jain | |
| 6. | Mr. Saket Rungta | Relatives of Key Managerial Personnel |
| 7. | Mr. Rochan Rungta | |
| 8. | Mr. Raunaq Rungta | |
| 9. | Mrs. Sarita Rungta | |
| 10. | Mrs. Bina Rungta | |
| 11. | Mrs. Khushboo Patni | |
| 12. | Mrs. Mamta Jain | |
| 13. | Mss. Sambabhi Jain | |



| | | |
|-----|----------------------------|-----------------------------|
| 14. | Sudarshan Kumar Rungta HUF | |
| 15. | Surendra Kumar Rungta HUF | |
| 16. | Raunaq Rungta HUF | One of the KMP is the Karta |
| 17. | Rochan Rungta HUF | |
| 18. | Saket Rungta HUF | |
| 19. | Leeladhar Rungta HUF | |

| | | |
|-----|------------------------------------|------------------|
| 20. | BGS Steel Industries (P) Ltd., | |
| 21. | Meenakshi Steel Corporation | |
| 22. | Nightingale Vyapaar (P) Ltd., | Related entities |
| 23. | Ralago Engineering Private Limited | |
| 24. | Raunaq Foundation | |
| 25. | Proeagle Engineering LLP | |
| 26. | RSJ Traders & Fabricators | |



| Transactions for the F.Y. 2022-2023 | | 2022-2023 | 2021-2022 |
|-------------------------------------|---|-----------------------------|-----------------|
| 1 | Purchase of raw materials, components and traded goods | | |
| | Meenakshi Steel Corporation | 79,50,81,826.00 | 19,31,10,777.00 |
| | BGS Steel Industries Private Limited | 7,83,78,215.00 | 7,06,85,949.00 |
| | Ralago Engineering Private Limited | 23,54,43,168.00 | 44,70,21,136.00 |
| | Raunaq Foundation | 26,66,66,749.00 | 9,73,43,213.00 |
| | RSJ Traders & Fabriactors | 29,35,48,409.00 | 4,17,05,602.00 |
| 2 | Sales and Services | | |
| | Meenakshi Steel Corporation | 11,20,13,646.00 | 2,35,86,476.00 |
| | BGS Steel Industries Private Limited | 14,75,484.00 | 35,65,451.00 |
| | Ralago Engineering Private Limited | 2,12,33,841.00 | 1,56,73,003.00 |
| | Raunaq Foundation | 6,26,651.00 | 43,29,216.00 |
| | Aurapulus Homes LLP | 17,93,300.00 | 31,82,548.00 |
| | RSJ Traders & Fabriactors | 19,27,87,229.00 | 2,86,65,050.00 |
| | Leeladhar Rungta | 3,72,125.00 | 3,12,016.00 |
| 3 | Remuneration To Key Managerial Personnel | | |
| | Sudarshan Kumar Rungta | 96,00,000.00 | 96,00,000.00 |
| | Surendra Kumar Rungta | 84,00,000.00 | 84,00,000.00 |
| | Leeladhar Rungta | 18,00,000.00 | 18,00,000.00 |
| | Surendra Kumar Jindal | 15,20,000.00 | 10,50,000.00 |
| | Ajit Kumar Jain | 11,50,800.00 | 10,01,000.00 |
| 3 | Others | | |
| | | Naure of Transaction | |
| | BGS Steel Industries Private Limited | Cutting Charges and Rent | 1,73,79,318.00 |
| | Sudarshan Kumar Rungta | Rent | 1,34,52,000.00 |
| | Surendra Kumar Rungta | Rent | 28,32,000.00 |
| | Leeladhar Rungta | Rent | 42,48,000.00 |
| | Anmol Rungta | Salary | 6,13,500.00 |
| | Sarita Rungta | Rent | 49,56,000.00 |
| | Raunaq Rungta | Salary | 62,77,500.00 |
| | Rochan Rungta | Salary | 62,77,500.00 |
| | Saket Rungta | Salary | 62,77,500.00 |
| | Mamta Jain | Salary | 6,87,500.00 |
| | Sambabhi Jain | Salary | 3,00,000.00 |
| | khushboo Patni | Professional Charges | - |
| | | | 2,00,000.00 |

[Handwritten Signature]



| | | |
|--|--------------|-----------------|
| 4 Loan advance received | | |
| BGS Steel Industries Private Limited | - | 16,87,60,938.00 |
| Nightingale vyapaar Private limited | 1,33,000.00 | 2,25,25,000.00 |
| Surendra Kumar Rungta HUF | 32,00,000.00 | 29,00,000.00 |
| Sudarshan Kumar Rungta | 7,57,814.00 | 1,04,01,928.00 |
| Surendra Kumar Rungta | 7,78,944.00 | 13,05,777.00 |
| Sarita Rungta | - | 4,00,000.00 |
| Raunaq Rungta | - | 4,00,000.00 |
| Saket Rungta | - | 48,00,000.00 |
| Raunaq Rungta HUF | - | 10,00,000.00 |
| Rochan Rungta HUF | - | 10,00,000.00 |
| Bina Rungta | - | 35,00,000.00 |
| 5 Repayment of Loan and Advance | | |
| BGS Steel Industries Private Limited | - | 16,43,79,275.00 |
| Nightingale vyapaar Private limited | 1,33,000.00 | 2,42,05,000.00 |
| Sudarshan Kumar Rungta | 7,57,814.00 | 3,83,15,546.00 |
| Surendra Kumar Rungta | 7,78,944.00 | 77,75,931.00 |
| Sarita Rungta | - | 2,44,32,775.00 |
| Raunaq Rungta | - | 4,00,000.00 |
| Saket Rungta | - | 1,18,42,008.00 |
| Sudarshan Kumar Rungta HUF | - | 1,93,16,170.00 |
| Surendra Kumar Rungta HUF | 35,63,000.00 | 2,28,45,612.00 |
| Raunaq Rungta HUF | - | 55,03,811.00 |
| Rochan Rungta HUF | - | 1,29,06,490.00 |
| Saket Rungta HUF | - | 1,05,62,055.00 |
| Bina Rungta | - | 35,56,000.00 |
| 6 Interest on loan | | |
| Nightingale vyapaar Private limited | - | 16,80,000.00 |
| Sudarshan Kumar Rungta | - | 24,52,000.00 |
| Surendra Kumar Rungta | - | 6,24,000.00 |
| Sarita Rungta | - | 31,42,000.00 |
| Saket Rungta | - | 11,87,000.00 |
| Sudarshan Kumar Rungta HUF | - | 23,18,000.00 |
| Surendra Kumar Rungta HUF | 3,63,000.00 | 29,27,000.00 |
| Raunaq Rungta HUF | - | 3,35,500.00 |
| Rochan Rungta HUF | - | 12,75,000.00 |
| Saket Rungta HUF | - | 13,72,000.00 |
| Bina Rungta | - | 56,000.00 |
| 7. Closing Balance | | |
| BGS Steel Industries Private Limited | - | (52,08,613.00) |
| Raunaq Foundation | 50,53,203.00 | - |

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RAUNAQ STEELS TRADING PVT LTD

31 KEY FINANCIAL RATIO:

| Sl. No. | Particulars | Formula | 31.03.2023 | | | | 31.03.2022 | | | | % of Variance | Reason for Variance |
|---------|-------------------------------|--|--------------------|--------------------|---------|--------------------|--------------------|---------|----------|---|---------------|---------------------|
| | | | Numerator | Denominator | Ratio | Numerator | Denominator | Ratio | | | | |
| (a) | Current ratio | Current assets / Current liabilities | 3,08,17,97,061.71 | 1,39,14,44,620.32 | 2.21 | 3,05,89,35,694.00 | 1,79,75,36,073.00 | 1.70 | -30.15% | - | - | - |
| (b) | Debt-equity ratio | Total debt / Shareholder's Equity | 1,26,38,71,206.42 | 1,83,31,98,080.72 | 0.69 | 1,52,70,35,791.40 | 1,46,78,01,964.00 | 1.04 | 33.73% | - | - | - |
| (c) | Debt service coverage ratio | Earnings available for debt service / Debt service | 59,69,35,317.25 | 8,12,71,563.05 | 7.34 | 79,20,81,875.00 | 7,07,34,101.14 | 11.20 | 34.41% | - | - | - |
| (d) | Return on equity ratio | (Net profit after taxes - Preference dividend if any) / Average Share holders Equity | 36,53,96,116.72 | 1,65,05,00,022.36 | 22.14% | 52,61,17,847.45 | 1,20,47,43,040.50 | 43.67% | 49.31% | - | - | - |
| (e) | Inventory turnover ratio | Cost of goods sold or Sales / Average Inventory | 11,95,94,60,150.62 | 1,91,96,67,517.05 | 623.00% | 11,12,35,05,028.00 | 1,64,20,22,460.69 | 677.43% | 8.03% | - | - | - |
| (f) | Trade receivables turnover | Net credit sales / Average accounts receivable | 11,95,94,60,150.62 | 1,09,28,20,849.36 | 10.94 | 11,12,35,05,028.00 | 88,10,94,576.00 | 12.62 | 13.32% | - | - | - |
| (g) | Trade payables turnover ratio | Net credit purchases / Average trade payable | 11,56,27,94,149.86 | 3,16,69,516.20 | 365.11 | 11,27,14,14,025.24 | 14,03,64,446.50 | 80.30 | -354.67% | - | - | - |
| (h) | Net capital turnover ratio | Net sales / Average working capital | 11,95,94,60,150.62 | 1,47,58,76,031.20 | 8.10 | 11,12,35,05,028.00 | 1,08,16,72,260.00 | 10.28 | 21.20% | - | - | - |
| (i) | Net profit ratio (in %) | Net profit / Net sales | 36,53,96,116.72 | 11,95,94,60,150.62 | 3.06% | 52,61,17,847.45 | 11,12,35,05,028.00 | 4.73% | 35.40% | - | - | - |
| (j) | Return on capital employed | Earnings before interest and taxes / Capital employed | 58,76,14,381.23 | 3,09,70,69,287.14 | 18.97% | 78,35,37,202.13 | 2,99,48,37,755.40 | 26.16% | 27.48% | - | - | - |
| (k) | Return on investment | Income generated from invested funds / Average invested funds in treasury | - | - | - | - | - | - | 0.00% | - | - | - |

Notes:-

- 1) In the absence of information about credit sales, opening and closing balances of trade debtors, the ratio is calculated by dividing total sales by closing balances of trade receivables.
- 2) In the absence of information about credit purchases, opening and closing balances of trade creditors, the ratio is calculated by dividing total purchases by closing balances of trade creditors.
- 3) Ratio is not computed where ever it is not applicable to the company.



32. The Company operates in one segment only viz Iron & Steel Trading.

33. REGROUPING/RECLASSIFICATION

- The figures of the previous years have been regrouped / rearranged wherever necessary. The Figures of the previous years in the notes to financial statements are given in brackets.

34. ADDITIONAL INFORMATION

a) C.I.F Value of Imports:

Amt. in Rs.

| Particulars | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
|--|----------------------------|----------------------------|
| Capital goods | - | - |
| Raw materials (including power and fuel) | - | - |
| Stores & spare parts | - | - |
| Traded Goods | - | - |

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b) Expenditure in Foreign Currency:

| Particulars | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
|------------------------------|----------------------------|----------------------------|
| Interest and finance charges | - | - |
| Ocean freight | - | - |
| Legal & professional fees | - | - |
| Others | | |

c) Earnings in Foreign Currency:

| Particulars | F.Y. ending 31-Mar-2023 | F.Y. ending 31-Mar-2022 |
|------------------------|----------------------------|----------------------------|
| F.O.B Value of Exports | - | - |
| Interest Income | - | - |

As per our report of even date attached

For M.Raghunath & Co.,
Chartered Accountants

Firm Registration Number:003347S

For and on behalf of the Board



CA.M Raghunath
Partner
Membership Number : 015501

Sudarshan Kumar Rungta
Director

Surendra Kumar Rungta
Director

Place : Chennai,
Date : 23rd August 2023