Date: September 1, 2026

To,
The Secretary,
Listing Department
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001, MH, IN.

Sub: Annual report for the financial year 2025-26

Reference: Security ID: KARBON / Security Code: 544511 / ISIN: INE0V8A01016

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2025-26 along with the Notice of 15th Annual General Meeting of the Company scheduled to be held on Wednesday, September 23, 2026 at 3:00 P.M. (IST) via Video Conference/Other Audio-Visual Means ('VC'/'OAVM').

The said Annual Report is also available on the Company's website : www.karbonsteel.com

The said Notice is also available on the Company's website: www.karbonsteel.com

We request you to kindly take the above on record.

Thanking You.

For Karbonsteel Engineering Limited

Siddhi Bharat Parmar
Digitally signed by Siddhi Bharat Parmar
Date: 2026.09.01 19:35:25 +05'30'

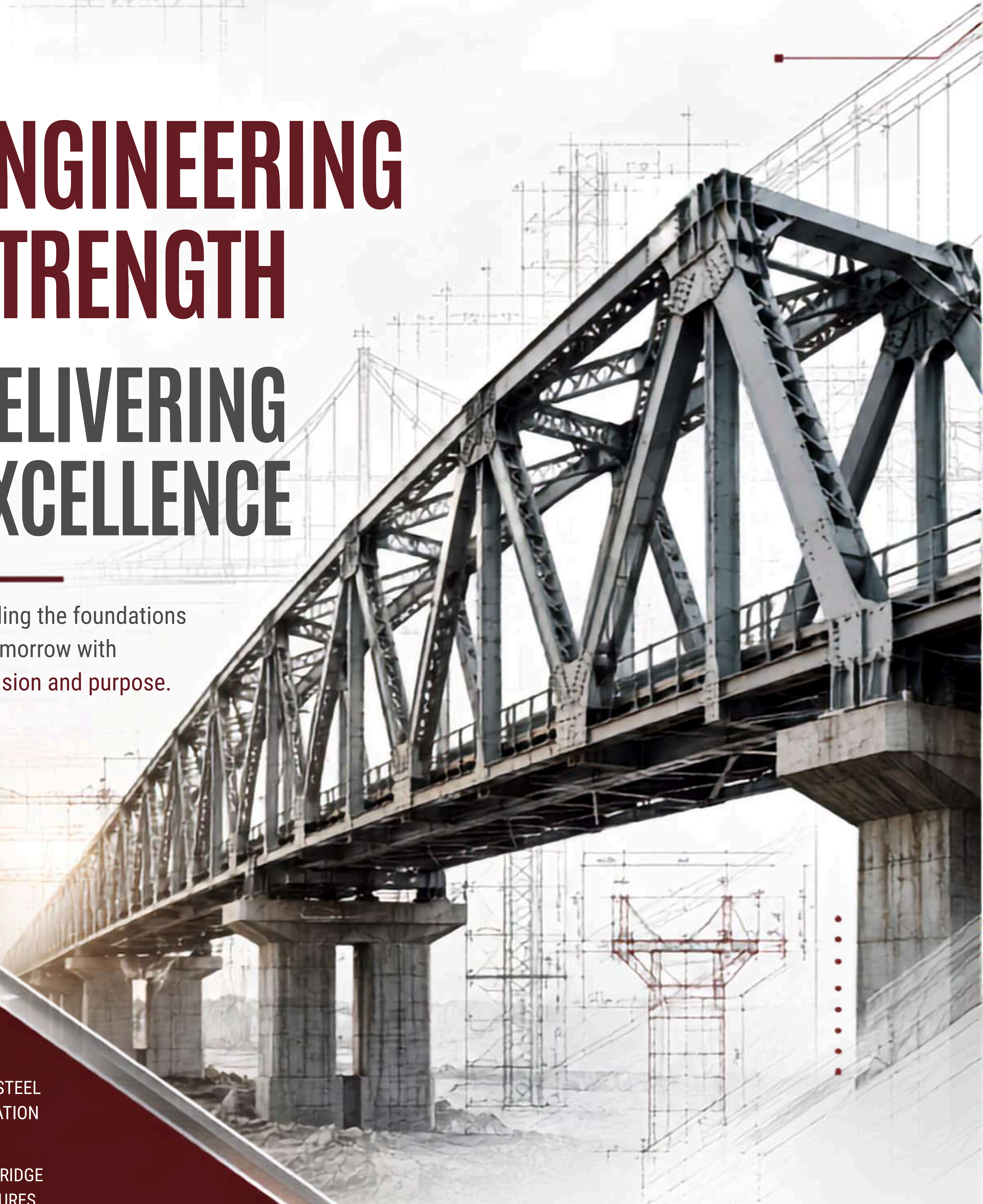
Siddhi Parmar
Company Secretary & Compliance Officer
ACS 60563

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

ENGINEERING STRENGTH

DELIVERING EXCELLENCE

Building the foundations of tomorrow with precision and purpose.



HEAVY STEEL FABRICATION

STEEL BRIDGE STRUCTURES

HIGH RISE BUILDINGS

INDUSTRIAL & INFRASTRUCTURE SOLUTIONS

KARBONSTEEL ENGINEERING LIMITED

Integrated Annual Report

FY 2025–26

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

TABLE OF CONTENT

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Shrenik Kirit Shah, Chairman & Managing Director
- Mrs. Mittal Shrenik Shah, Whole Time Director
- Mr. Saurabh Bhansali, Director (Non-Executive)
- Mr. Mihen Halani, Independent Director
- Mr. Sunil Kathariya, Independent Director

CHIEF FINANCIAL OFFICER

- Mr. Ganesh Bhandary

COMPANY SECRETARY & COMPLIANCE OFFICER

- Ms. Siddhi Parmar

AUDITORS

STATUTORY AUDITORS

- Rao & Shyam, Chartered Accountants

INTERNAL AUDITORS

- Chintan D Shah & Associates, Chartered Accountants

SECRETARIAL AUDITORS

- M/s. Amita Karia, Practicing Company Secretary

COST AUDITORS

- M/s. Mayur Chhaganbhai Undhad & Co.

BANKERS

- ICICI Bank Limited
- HDFC Bank

REGISTERED OFFICE:

B-8, Ratnadeep Cosmopolitan CHS Ltd.,
140-141 S.V. Road Near Shoppers Stop,
Andheri West, Mumbai - 400058
Tel: +022-61872800
Email: cs@karbonsteel.com
CIN- L74120MH2011PLC216558

REGISTRAR AND TRANSFER AGENT:

Maashitla Securities Private Limited
451, Krishna Apra Business Square, Netaji Subhash Place,Pitampura, New Delhi-110034. Tel: +91-11-45121795-96
Email: compliance@maashitla.com
Website: https://maashitla.com/

COMMITTEES

AUDIT COMMITTEE

- Mr. Mihen Halani - Chairman
- Mr. Sunil Kathariya - Member
- Mr. Shrenik Kirit Shah - Member

NOMINATION & REMUNERATION COMMITTEE

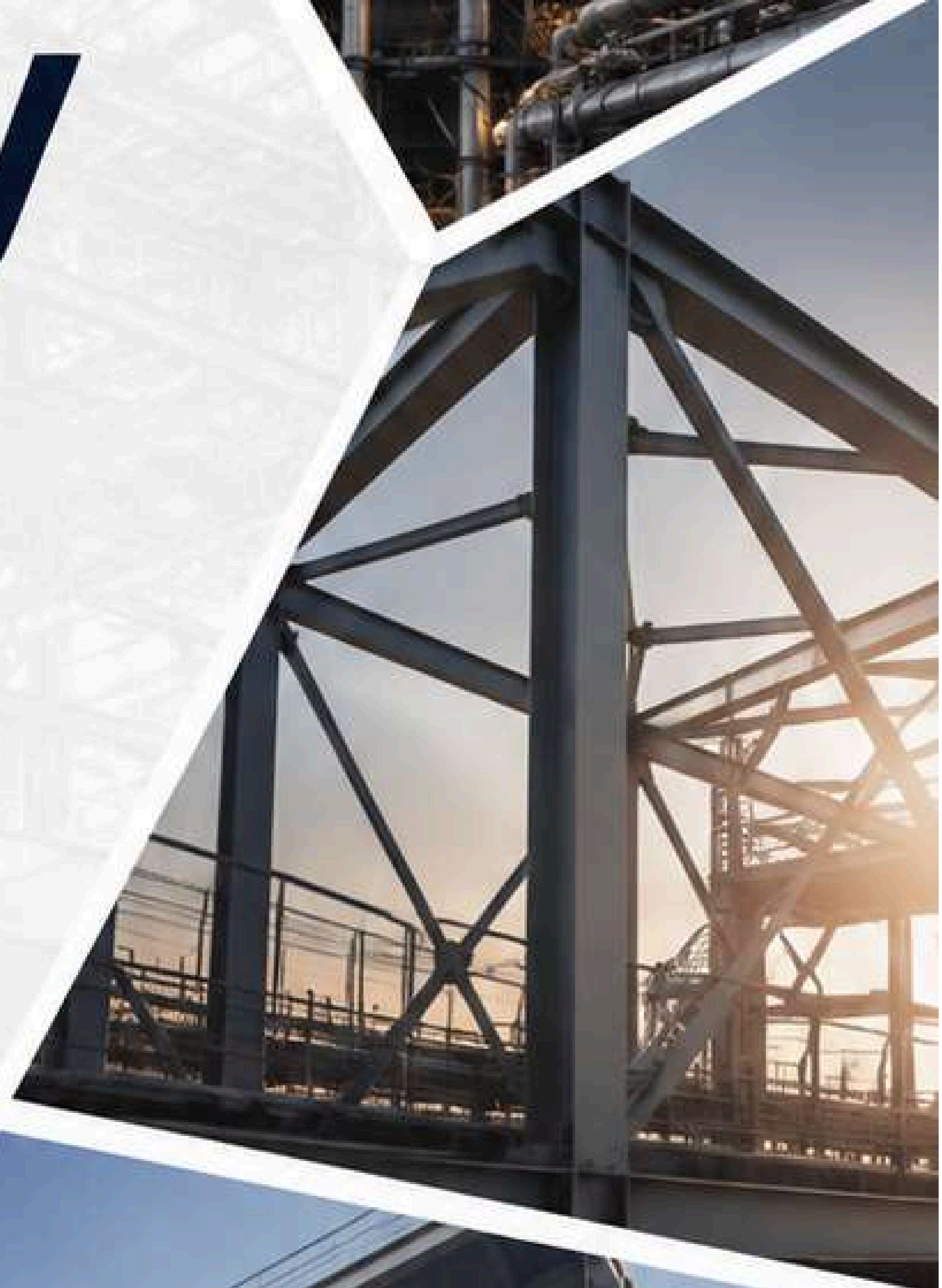
- Mr. Mihen Halani - Chairman
- Mr. Sunil Kathariya - Member
- Mr. Saurabh Bhansali - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. Mihen Halani - Chairman
- Mr. Sunil Kathariya - Member
- Mr. Saurabh Bhansali - Member

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

Company at Glance



KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

KARBONSTEEL ENGINEERING AT A GLANCE

ABOUT KARBONSTEEL ENGINEERING

Karbonsteel Engineering Limited is a leading structural engineering and fabrication company specializing in the design, manufacturing, and assembly of heavy and precision steel structures for industrial and infrastructure sectors across India.

With an RDSO-approved facility, ISO-certified operations, and a rapidly expanding capacity, we deliver complex projects for steel plants, refineries, railways, metro systems, oil & gas facilities, and industrial infrastructure, including the Mumbai-Ahmedabad High-Speed Rail corridor.

Backed by experienced leadership and strong customer relationships, Karbonsteel is committed to engineering excellence, timely delivery, and sustainable long-term growth.

OUR VISION

To be a preferred engineering and structural steel solutions partner, delivering world-class quality, innovation, and execution excellence for India's infrastructure and industrial growth.

OUR MISSION

We aim:

- Deliver engineering excellence through precision manufacturing.
- Build lasting customer relationships through quality and timely execution.
- Create sustainable long-term value for shareholders, employees, and stakeholders.
- Continuously expand capabilities through technology, capacity, and operational excellence.

OUR VALUES

Engineering Excellence
Delivering precision, quality, and reliability in every project.

Customer Commitment
Building long-term partnerships through trust and execution.

Integrity
Operating with transparency, ethics, and accountability.

Innovation
Continuously improving manufacturing processes and engineering capabilities

Safety & Sustainability
Maintaining the highest standards of workplace safety and responsible operations.

KARBONSTEEL ENGINEERING

Karbonsteel Engineering Limited

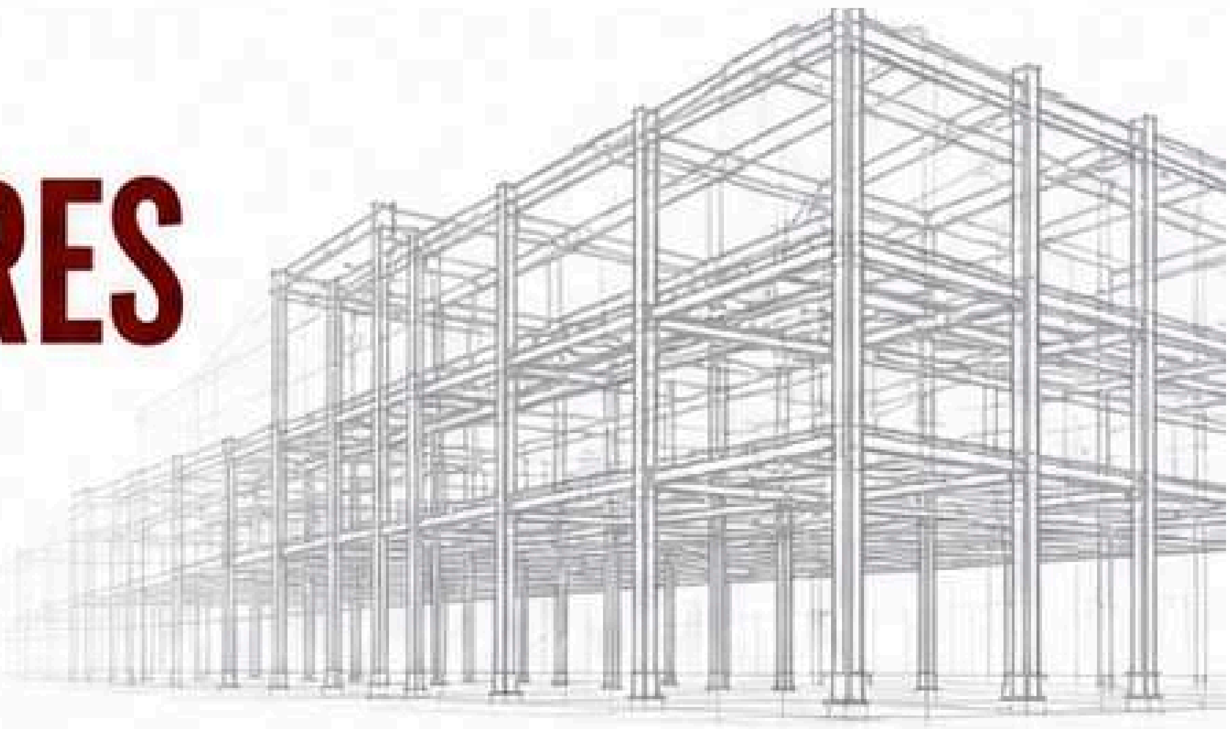
WHAT WE DO

ENGINEERING SOLUTIONS.
BUILT TO PERFORM.

WHAT WE DO

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

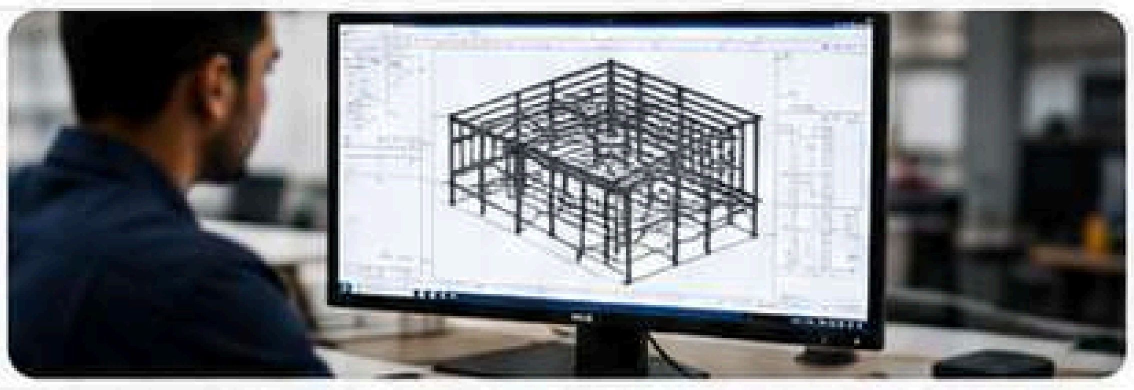
FROM STEEL TO ENGINEERED STRUCTURES



Transforming customer specifications into precision-fabricated structures through integrated engineering, manufacturing, testing and finishing capabilities.

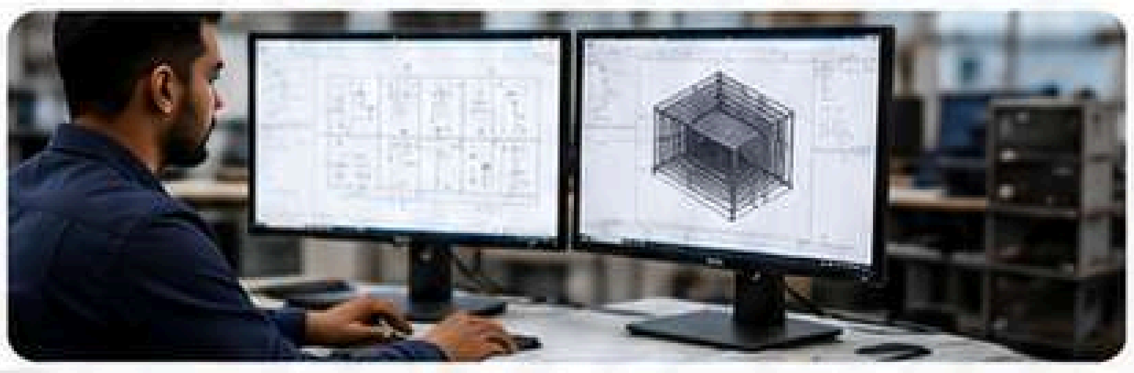
01 UNDERSTAND REQUIREMENTS

We understand customer drawings, specifications and project requirements in detail.



02 ENGINEER & DESIGN

Our engineering team creates detailed shop drawings and manufacturing plans for accuracy and efficiency.



03 CUT, FABRICATE & WELD

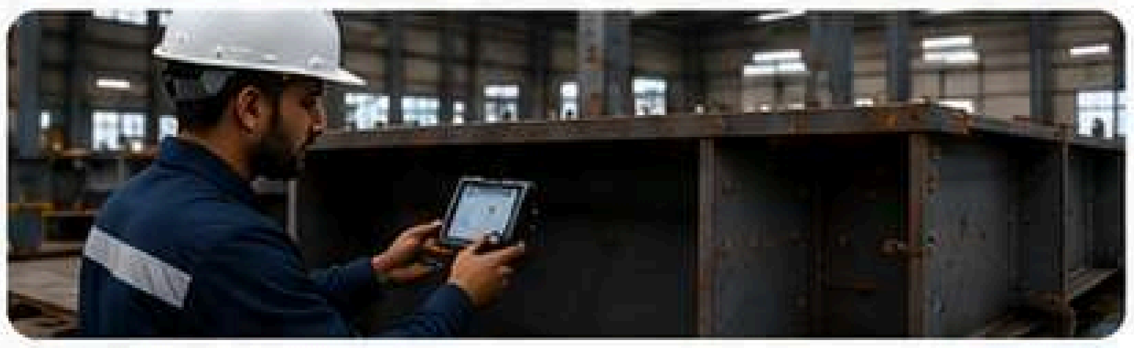
Steel is cut, shaped and welded using advanced machinery and skilled fabrication.

04 ASSEMBLE

Components are assembled into sub-assemblies and major structures with precision and safety.

05 TEST & INSPECT

Rigorous quality inspections and NDT testing ensure compliance with international standards.



06 FINISH & DELIVER

Surface treatment, coating and painting are done before safe delivery to project sites.

DESIGN → MANUFACTURE → ASSEMBLE → TEST → DELIVER

SERVING INDUSTRIAL & INFRASTRUCTURE APPLICATIONS

- STEEL PLANTS
- RAILWAYS & METRO
- OIL & GAS FACILITIES
- REFINERIES & CHEMICAL UNITS
- INDUSTRIAL & HIGH-RISE BUILDINGS

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

Management Message

Guided by **Vision.**
Driven by **Excellence.**

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

BUILDING ENGINEERING EXCELLENCE

FOR A NEW ERA OF INFRASTRUCTURE

India stands at the cup of a transformative infrastructure cycle, supported by sustained investments in railways, urban development, industrial manufacturing, energy, and logistics. As the nation accelerates towards becoming a global manufacturing hub, the demand for precision-engineered steel structures is creating unprecedented opportunities for companies with strong execution capabilities and engineering expertise.

At Karbonsteel Engineering, we believe that long-term success is built upon a foundation of high capacity, bold vision, and customer trust, and continuous investment in future-ready infrastructure. Over the years, we have formed from a regional fabrication company into a trusted engineering partner serving some of India's leading industrial and infrastructure projects.

Despite a year marked by temporary operational headwinds, including supply chain disruptions, inflationary pressures, and delays in our expansion schedule, the business continued to demonstrate resilience. We maintained strong capacity utilisation while executing complex projects across steel plants, refiners, industrial facilities, and the prestigious Mumbai–Ahmedabad High-Speed Rail corridor. These achievements reaffirm the strength of our engineering platform and our ability to deliver consistently under challenging conditions.

FY2025–2026 was also a year of strategic investment. Our ongoing expansion from 30,000 MTPA to 54,000 MTPA, positioning the Company to participate in larger and more complex infrastructure opportunities in the years ahead. This investment is entirely about increasing capacity—it is about enhancing productivity, improving operational efficiency, and strengthening our competitive advantage.

Our growing order book, long-standing relationships with marquee customers, and expanding presence across critical infrastructure sectors provide us with confidence in the future. As India's infrastructure ambitions continue to evolve, the demand for Karbonsteel is well-positioned to create sustainable value through disciplined execution, technological capability, and engineering excellence.

On behalf of the Board, I extend my sincere gratitude to our customers, employees, business partners, bankers, shareholders, and all stakeholders for their continued trust and support. Together, we remain committed to building enduring infrastructure and creating long-term value for generations to come.

With warm regards,

Shrenik Kirrit Shah

Managing Director
Karbonsteel Engineering Limited

> "Our investments in capacity, technology, and execution capabilities today are laying the foundation for Karbonsteel's next phase of sustainable growth and long-term value creation."

STEEL PLANTS | REFINERIES & CHEMICALS | INDUSTRIAL STRUCTURES | RAIL & INFRASTRUCTURE | PRE-ENGINEERED BUILDINGS

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

Our Journey

Building a legacy of
strength, trust and **excellence.**

Founded on
Strong Values

Driven by
Growth

Focused on
Innovation

Committed to
Excellence

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

BUILT ON PURPOSE. DRIVEN BY PROGRESS.

From our inception to industry-defining projects, our journey reflects consistent growth, strategic milestones and a relentless pursuit of engineering excellence.

OUR JOURNEY

2011
INCORPORATION

2017
EXPANSION BEGINS
Established the Umbergaon Unit

2021–22
MOMENTUM BUILDS
Crossed Revenue of Rs. 100 Crores

2024
TRANSFORMATION
Participated in mega steel expansion project

2023–24
STRONGER GROWTH
Crossed Revenue of Rs. 200 Crores

2025
MILESTONE YEAR
- Completed work order of Mumbai–Ahmedabad High speed bullet train bridge.
- Capacity expansion for Umbergaon Facility and debt deleveraging begins

2025–26
NEW HEIGHTS
FY26 revenue crossed ₹300 Cr, representing more than 2x the Company's current market capitalisation

Manufacturing Facilities	Installed Capacity	Expanded Capacity	Certifications
2 Khopoli, Maharashtra Umbergaon, Gujarat	**30,000** MT per annum	**54,000** MT per annum (Oct 26)	• ISO 9001:2015 • ISO 14001:2015 • RDSO Approved Facility

BUILDING TODAY. SHAPING TOMORROW.

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

Our Business Verticals

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

OUR BUSINESS VERTICALS

Karbonsteel Engineering Limited delivers specialized structural steel solutions across multiple segments, supporting critical infrastructure and industrial projects across India.

01 HEAVY STEEL FABRICATED STRUCTURES

High-quality fabricated steel structures for industrial plants, refineries, factories, and large-scale infrastructure projects.

02 PRECISION & TECHNOLOGICAL STEEL STRUCTURES

Precision-engineered structures for complex industrial applications requiring high accuracy, strength, and performance.

03 STEEL BRIDGE STRUCTURES

Design, fabrication, and erection of durable steel bridges for railways, roads, and other critical connectivity infrastructure.

04 PRE-ENGINEERED BUILDINGS (PEBS)

Cost-effective and robust pre-engineered buildings for industrial, commercial, and warehousing applications.

ENGINEERING STRENGTH. BUILDING TOMORROW.

INDUSTRIES WE SERVED

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

ENGINEERING STRUCTURES ACROSS CRITICAL INDUSTRIES

Delivering customised steel solutions for India's industrial and infrastructure ecosystem.

01 STEEL PLANTS

Heavy structural frameworks, platforms, crane girders and technological structures.

02 RAILWAYS & METRO

Bridge girders, specialised steel structures and railway infrastructure components.

03 OIL & GAS

Precision fabricated structures and engineered assemblies for energy facilities.

05 INDUSTRIAL & HIGH-RISE

Heavy structural frameworks, PEB components and building structures.

REFINERIES & CHEMICAL

Dimension-sensitive structures and industrial support systems.

FROM STEEL PLANTS TO HIGH-SPEED RAIL — ENGINEERED FOR SCALE, PRECISION & PERFORMANCE

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

MANUFACTURING FOOTPRINT




KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

MANUFACTURING FOOTPRINT BUILT FOR SCALE & PRECISION

Two manufacturing facilities support Karbonsteel's structural fabrication capabilities across industrial and infrastructure applications.

01 UMBERGAON, GUJARAT

8.56 Lakh sq. ft. — Facility Area

30,000 MTPA — Installed Capacity

CAPABILITIES

- Heavy Structural Fabrication
- CNC Cutting & Drilling
- Welding & Assembly
- NDT / Quality Testing

02 KHOPOLI, MAHARASHTRA

56,084 sq. ft. — Facility Area

6,000 MTPA — Installed Capacity

CAPABILITIES

- Structural Fabrication
- CNC Cutting
- Saw Welding
- FCAW / GMAW

This facility is proposed to be consolidated and operations will be wound down in FY 26-27.

CAPACITY EXPANSION UNDERWAY

30,000 MT
CURRENT CAPACITY (UMBERGAON)

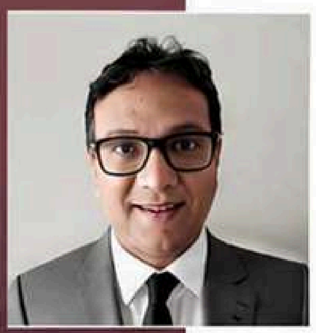
54,000 MT
EXPANDED CAPACITY (UMBERGAON)

+80%
Expanded capacity expected to commence from Oct-26

BUILT FOR SCALE | ENGINEERED FOR PRECISION | DRIVEN BY QUALITY | FOCUSED ON GROWTH

Note: All capacity and utilisation figures are on consolidated basis for FY26.

LEADERSHIP TEAM



Mr. Shrenik Kirit Shah

Managing Director

- B.Com, NM College, Mumbai IMBA,
- Univ. of South Columbia, USA 19+ Years
- in Steel Industry Ex-Sr. Manager,
- Hariyana International Pvt.Ltd.

Mittal Shrenik Shah

Whole Time Director

- BMS,Univ. ofMumbai (2004)
- PG e-MBA, MET (2006)
- Experience: 6+ Years
- Ex-NRI Sales & Wealth Manager, HSBC (2006-2009)

Saurabh Bhansali

Non-Executive Director

- 8 years experience
- Chartered Accountant

Mihen Jyotindra Halani

Independent Director

- 12 years experience
- Company Secretary (ICSI)

Sunil Kathariya

Independent Director

- 27 years at JSW Steel
- Ex Sr. Executive VP

Satish Thakkar

Technical Director

- BE (Chemical)
- Technical expertise

Siddhi Parmar

Company Secretary

- 7 years experience

Ganesh Bhandary

CFO

- MCom
- 14+ years of experience

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

FY26 PERFORMANCE

STRONG PERFORMANCE.
SUSTAINED GROWTH.
BUILT FOR TOMORROW.

FY26 PERFORMANCE

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

SCALING REVENUE. BUILDING FOR THE NEXT PHASE.

Karbonsteel crossed ₹300 Cr in revenue during FY26, supported by strong manufacturing activity and growing business visibility, while near-term operating headwinds impacted profitability.

₹300.88 Cr
REVENUE FROM OPERATIONS
+10.2% YoY

₹32.67 Cr
EBITDA
-10.8% YoY

₹10.51 Cr
PAT
-25.8% YoY

FINANCIAL HIGHLIGHTS	FY25	FY26	YoY CHANGE
Revenue from Operations	₹273.05 Cr	₹300.88 Cr	↑ +10.2%
EBITDA	₹36.61 Cr	₹32.67 Cr	↓ -10.8%
PAT	₹14.16 Cr	₹10.51 Cr	↓ -25.8%
EBITDA Margin	13.41%	10.86%	↓ -255 bps
PAT Margin	5.19%	3.49%	↓ -170 bps

OPERATIONAL PERFORMANCE

30,000 MT
UMBERGAON INSTALLED CAPACITY

28,567.84 MT
UMBERGAON CAPACITY UTILISED

95.23%
UMBERGAON CAPACITY UTILISATION

MARGIN SNAPSHOT

EBITDA MARGIN
13.41% (FY25) → 10.86% (FY26)

PAT MARGIN
5.19% (FY25) → 3.49% (FY26)

WHAT SHAPED FY26?

RAW MATERIAL COSTS
Higher steel and allied input costs

GAS AVAILABILITY
Production disruption due to LPG / cutting gas shortage

LABOUR AVAILABILITY
Temporary operational constraints

EXPANSION COSTS
Rent and depreciation related to capacity expansion

ONE-TIME WRITE-OFF
₹1.65 Cr
Bad-debt write-off during the year

Despite short-term headwinds, strong execution continues.
Karbonsteel remains focused on operational efficiency and sustainable growth.

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

ORDER BOOK

Strong Pipeline.
Robust Backlog.
Sustained Growth Ahead.

STRONG PIPELINE | ROBUST BACKLOG | SUSTAINED GROWTH

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

STRONG ORDER VISIBILITY
SUPPORTING THE NEXT PHASE OF GROWTH

A growing order book provides visibility for capacity utilisation and future execution.

ORDER BOOK EVOLUTION

Order book has grown **78%** from March 2025 to May 2026.

₹353 Cr
CONFIRMED ORDER BOOK
As on May 26, 2026

₹150 Cr
ACTIVE ORDER PIPELINE
Additional opportunities under consideration / pipeline

₹650 Cr
TOTAL EXECUTABLE OPPORTUNITIES
Comprises order book and additional opportunities

ORDER VISIBILITY DRIVING CAPACITY EXPANSION

₹353 Cr ORDER BOOK	Strong confirmed orders provide near-term revenue visibility.
95.23% CURRENT UTILISATION	High utilisation levels reflect strong demand and capacity constraints.
30,000 MT → 54,000 MT UMBERGAON CAPACITY EXPANSION	Expansion underway to address growing demand and future requirements.
HIGHER EXECUTION CAPACITY	Enhanced capability to execute larger and more complex projects.

ORDER BOOK COMPOSITION (BY PROJECT CATEGORY)

Heavy Steel Structures	Significant Contribution
Precision / Technological Structures	Significant Contribution
Bridge Structures	Significant Contribution

Diverse project mix across industrial, infrastructure and public sector segments.

Growing order visibility, combined with the planned expansion of Umbergaon capacity, positions Karbonsteel to execute a larger volume of industrial and infrastructure projects.

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

CAPACITY EXPANSION

CAPACITY EXPANSION

Karbonsteel Engineering
Karbonsteel Engineering Limited

EXPANDING CAPACITY
TO CAPTURE THE NEXT PHASE OF GROWTH

Umbergaon expansion will increase installed capacity from **30,000 MT** to **54,000 MT** per annum, while the Khopoli facility is planned for shutdown in FY26–27.

CURRENT		EXPANDED
30,000 MT PER ANNUM	→ **+80%** CAPACITY EXPANSION	**54,000 MT** PER ANNUM
Current Umbergaon Capacity		Expanded Umbergaon Capacity

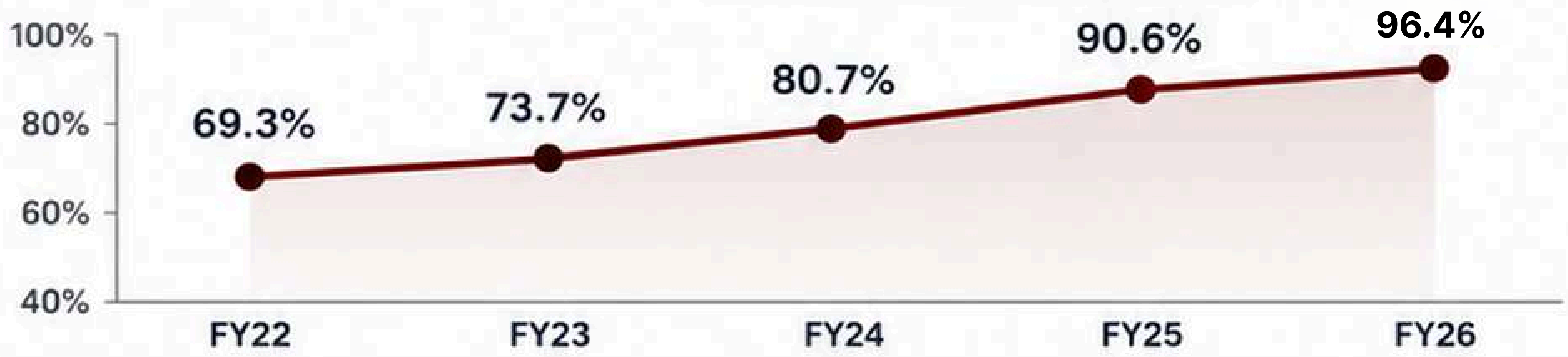
Capacity Expansion Of Umbergaon Facility From 30,000 MT Per Annum To 54,000 MT Per Annum underway and expected to commence from **Oct-26**.

CAPACITY BUILD-UP

	FY22	FY23	FY24	FY25	FY26	FY27E
Umbergaon Capacity (MT Per Annum)	6,000	12,000	18,000	30,000	30,000	54,000
Khopoli Capacity (MT Per Annum)	3,600	6,000	6,000	6,000	6,000	–
Total Installed Capacity (MT Per Annum)	9,600 MT	18,000 MT	24,000 MT	36,000 MT	36,000 MT	54,000 MT

KEY INSIGHT Steady capacity scaling over the years, supported by strong execution capabilities and growing demand.

UTILISATION TREND



Rising utilisation highlights increasing demand and the need for additional manufacturing capacity.

EXPANSION HIGHLIGHTS

01 HIGHER MANUFACTURING CAPACITY
30,000 MT → 54,000 MT per annum capacity increase

02 LARGER ORDER EXECUTION
Enhanced ability to cater to larger and more complex projects.

03 RAILWAY & INFRASTRUCTURE OPPORTUNITY
Additional capacity supports growing demand from infrastructure and railway projects.

04 OPERATING EFFICIENCY
Greater scale and automation expected to improve manufacturing efficiency and utilisation.

IMPORTANT NOTE

Khopoli Facility
6,000 MT installed capacity

Planned shutdown in
FY26–27

POST-EXPANSION CAPACITY OUTLOOK

Current Consolidated Capacity		Khopoli Shutdown		Umbergaon Expansion		POST-EXPANSION CAPACITY
36,000 MT	–	-6,000 MT	+	+24,000 MT	=	54,000 MT

Post-expansion capacity will be concentrated at the expanded Umbergaon facility at 54,000 MT per annum.

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

STRATEGIC AUTOMATION

Driving Efficiency.
Enhancing Productivity.
Building a Smarter Future.

IMPROVE EFFICIENCY

Streamline operations and reduce cycle time.

ENHANCE PRODUCTIVITY

Maximize output with intelligent automation.

BUILD FOR THE FUTURE

Invest in technology for sustainable growth.

AUTOMATING FOR GREATER EFFICIENCY AND CONSISTENT QUALITY

Karbonsteel is investing in automation to improve productivity, reduce labour and gas dependency, enhance quality consistency and support sustainable margin improvement.

THE THREE PILLARS OF AUTOMATION

01 HD Plasma Cutting Machine

Faster Cutting Cycles

- Faster and more precise cutting
- Reduced scrap and rework
- Lower gas dependency

02 AUTOMATIC BEAM FIT-UP & WELDING CENTRE

Automated Fabrication

- Higher productivity
- Consistent weld quality
- Reduced labour dependency

03 AUTOMATIC BLASTING FACILITY

Higher-Throughput Finishing

- Higher throughput
- Better surface quality
- Lower material wastage

AUTOMATION BENEFITS

	EXPECTED IMPACT**
Labour Efficiency	+15%
Labour Cost	~25% Reduction
Gas / Consumable Dependency	Significantly Reduced
Output Quality	Higher Consistency

** Management Expectation

~1%

EXPECTED IMPROVEMENT IN OPERATING MARGINS

FROM FY28

Automation initiatives are expected to improve productivity, reduce labour and gas dependency, enhance quality consistency and support sustainable margin expansion.

FROM MANUAL INTENSITY TO AUTOMATED PRECISION

Higher Productivity → Lower Dependency → Consistent Quality → Improved Efficiency → Sustainable Margin Potential

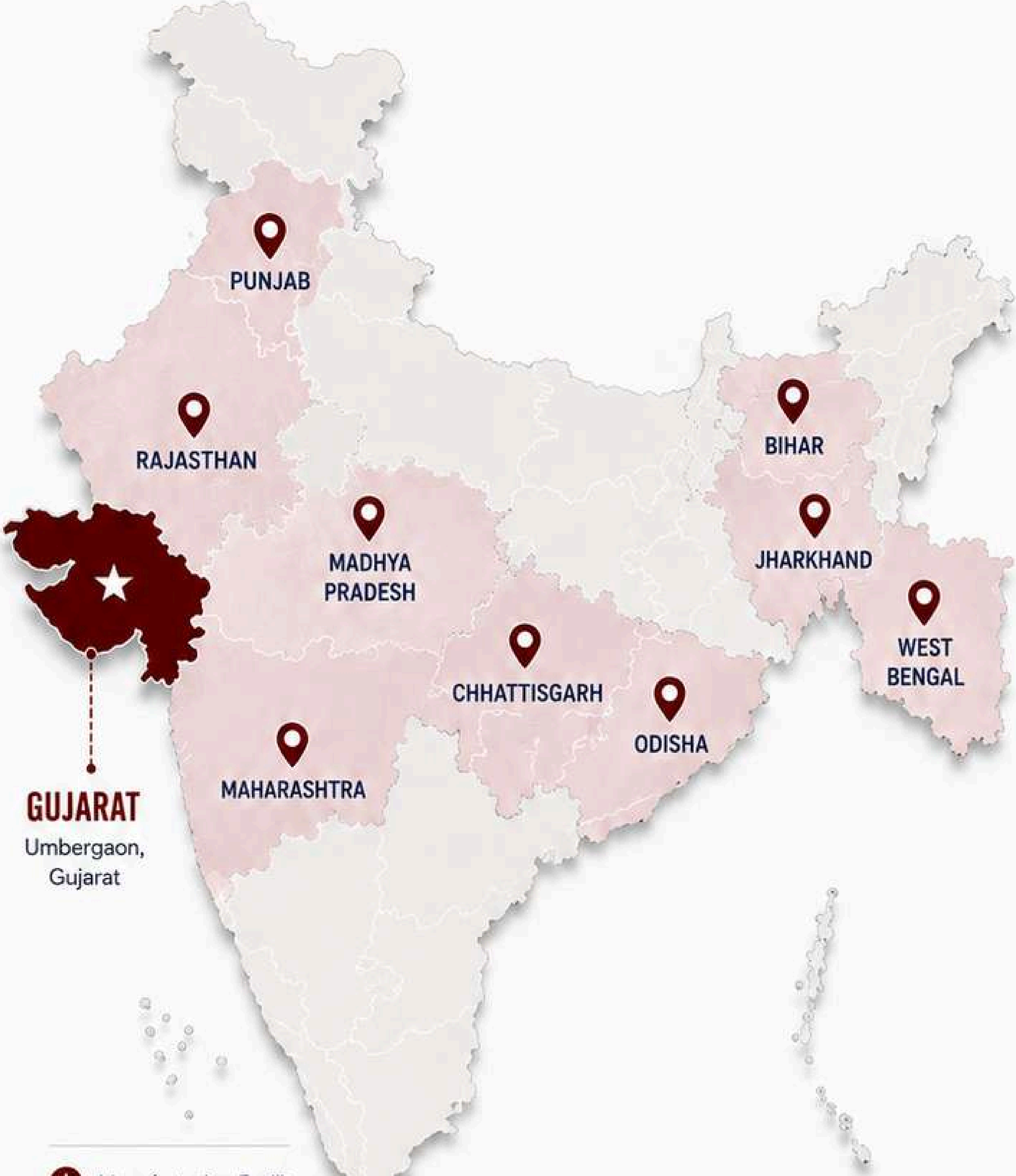
KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

OUR PRESENCE

KARBONSTEEL ENGINEERING
Karbonsteel Engineering Limited

EXPANDING REACH ACROSS INDIA

Manufactured in Gujarat. Executed across multiple industrial and infrastructure markets.



Manufacturing Facility

Project Execution & Supply

GEOGRAPHIC HIGHLIGHTS

10 STATES

Project execution & supply footprint

1 MANUFACTURING BASE

Umbergaon, Gujarat

MULTIPLE END MARKETS

Steel | Infrastructure
Railways | Industrial Projects

FROM GUJARAT TO PROJECTS ACROSS INDIA

Integrated manufacturing capabilities enable Karbonsteel to execute and supply engineered steel structures across diverse geographies and industries.

Annexure - C

Management Discussion & Analysis

Indian Economy Overview

India continues to remain one of the fastest-growing major economies globally, supported by strong domestic consumption, favourable demographics, infrastructure investments, and sustained policy reforms. As per IMF projections, India's GDP is expected to grow by approximately 6.4% in 2026 and 6.7% in 2027, significantly outperforming most major economies despite global geopolitical and economic uncertainties. Over the past decade, India's nominal GDP has nearly tripled from USD 1.23 trillion in FY15 to an estimated USD 3.82 trillion in FY25, reflecting the increasing scale and resilience of the economy. The country is currently the world's fourth-largest economy and is expected to become the third-largest by FY2030-31, with GDP projected to reach approximately USD 7.3 trillion.

Macroeconomic stability, easing inflation, fiscal consolidation, a resilient external sector, and rising employment opportunities are expected to support the growth momentum. At the same time, continued government and private-sector investments in **railways, metro systems, highways, bridges, steel plants, refineries, power projects, industrial facilities, data centres, warehouses, and urban infrastructure** are expected to drive demand for **precision steel structures solutions.**

The **Precision Steel Structures Solutions industry** plays a critical role in supporting the development of complex industrial and infrastructure projects by providing engineered steel structures designed for strength, durability, and execution efficiency. Increasing investments in manufacturing capacity expansion, railway infrastructure, renewable energy projects, urban development, and industrial facilities are expected to create sustained demand for heavy steel-fabricated structures, precision-engineered components, steel bridge structures, and pre-engineered building solutions. The growing preference for modular and engineered steel solutions, faster project execution timelines, and stringent quality requirements are expected to benefit organised players with advanced manufacturing capabilities, technical expertise, and proven project execution experience

Precision & Structural Steel Industry Overview

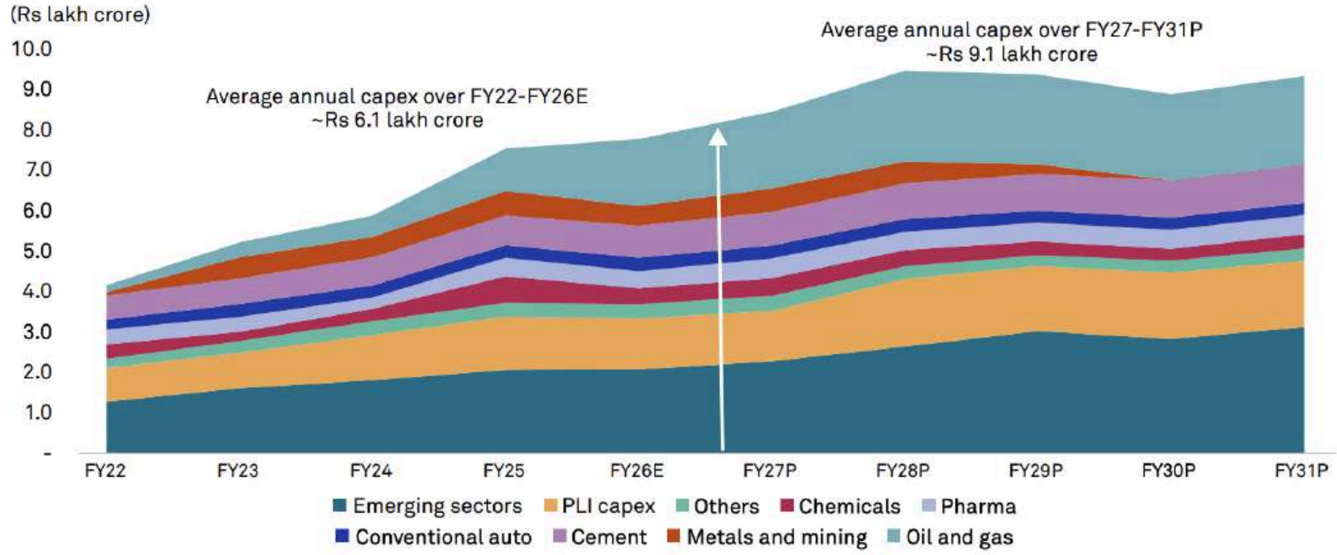
India's transition towards a higher investment-led growth model is expected to create significant opportunities for the **Precision Steel Structures Solutions industry**. As capital expenditure shifts from traditional sectors towards emerging areas such as railways, renewable energy, data centres, industrial manufacturing, urban infrastructure, and advanced engineering projects, the requirement for precision-engineered and structural steel solutions is expected to witness sustained growth.

India's average annual capital expenditure is expected to increase from approximately **₹4.3 lakh crore during FY21-25E to ₹7.1 lakh crore during FY26-30P**, reflecting a significant expansion in infrastructure and industrial investment activity. This increase in capital deployment is expected to drive demand for engineered steel structures across large-scale infrastructure projects, manufacturing facilities, transportation networks, and industrial developments.

Precision and structural steel solutions are expected to play an increasingly important role in these projects due to their advantages in terms of **faster execution, design flexibility, structural strength, and suitability for complex engineering requirements**. The growing scale and complexity of upcoming infrastructure projects are likely to support higher adoption of specialised fabricated structures, including heavy steel structures, technological structures, steel bridge structures, and customised engineering solutions.

As India's infrastructure ecosystem evolves towards larger and more sophisticated projects, companies with integrated manufacturing capabilities, technical expertise, quality certifications, and proven execution track records are expected to benefit from the expanding demand landscape.

PLI-supported and emerging sectors to drive a little over a quarter of the industrial capex



E-estimated, P-projected
Source: Crisil Intelligence

The structural steel industry in India serves as a cornerstone of the nation’s economic and infrastructural growth, playing a critical role across sectors like buildings, bridges, and large-scale construction. With over 1 lakh people employed and more than 5,000 predominantly SME fabricators, the industry boasts strong backward linkages to the steel sector. Significant technological advancements, such as automated cutting and welding, 3D modeling, and plasma cutting, have enhanced efficiency, precision, and cost-effectiveness. The outlook is promising, driven by government initiatives like “Make in India,” the adoption of green technologies, and Industry 4.0 integration. Additionally, the rising demand for pre-engineered buildings (PEBs) underscores the need for cost-efficient and rapid construction solutions, further propelling the industry’s growth. As a dynamic and evolving sector, structural steel is poised to remain integral to India’s progress.

Overview of Structural Steel Engineering & Product Landscape

Structural steel is a standardized, high-performance construction material engineered for infrastructure, commercial high-rises, and industrial projects where an optimal strength-to-weight ratio and structural resilience are essential. Its mechanical properties allow engineers to optimize material usage while maintaining superior ductility, seismic flexibility, and dynamic load tolerance against environmental forces.

Product Form	Common Configurations & Profiles	Key Engineering Applications
Beams	I-Beams, Wide Flange Beams (H-Beams), HP-Shaped Beams	Heavy load-bearing support in bridges, high-rise buildings, and industrial plant frameworks.
Channels	C-Channels, U-Channels, J-Channels, Hat Channels, Hemmed Channels	Secondary framing, window/door fabrication, transportation equipment, industrial signposts, and light supports.
Angles	Equal & Unequal Structural Angles	Trusses, bracing systems, brackets, transmission towers, reactor/vessel framing, and material handling machinery.
Flats & Plates	Structural Flat Bars, Heavy Plates, Slit Strips	Base plates, railway component fabrication, automotive structures, press working, and heavy equipment assemblies.
Hollow Structural Sections (HSS)	Square, Rectangular, and Circular Hollow Sections (SHS/RHS/CHS)	High-torsion structural columns, aesthetic architectural trusses, walkways, and conveyor galleries.

Structural Steel: Industry Categorization & Application Landscape

Structural steel is classified across four distinct tiers based on load-bearing capacity, dimensional specifications, and operational complexity.

	Primary Applications	Performance & Engineering Requirements	Target Sectors
Heavy Structural Steel	• **Bridges:** Long-span trusses, open-web girders, railway bridges, FOB, ROB. • **Energy & Power:** Heavy turbine frameworks, boiler structures, substations • **Industrial:** Mega processing plants, refineries.	• Engineered to withstand extreme static/dynamic loads and environmental stress • High-tensile metallurgy, seismic resilience, and corrosion-resistant coatings • Demands stringent quality accreditations (e.g., RDSO, ISO) and strict dimensional tolerances	Infrastructure, Railways, Oil & Gas, Power Generation, Heavy Industry

Medium Structural Steel	• Industrial scaffolding and formwork systems • Commercial shutters and secondary framing • Partition walls, mezzanine floors, and human supports	• Balances structural rigidity with modular versatility • Designed for moderate load-bearing, ease of assembly, and site reconfigurability	Commercial Real Estate, Warehousing, Industrial Sheds, Contracting
Light Structural Steel	• Light-gauge roofing trusses and purlins • Residential doors, window framing, and fixtures • Architectural furniture and secondary enclosures	• Lightweight, cost-effective structural integrity • Standardized profiling for quick installation with basic load requirements	Residential Housing, Light Commercial, Architectural Fit-outs

Company Overview

Karbonsteel Engineering Limited is an integrated structural engineering and fabrication solutions provider specializing in the design, heavy fabrication, precision machining, and assembly of complex steel structures. The company operates across high-growth industrial and infrastructure domains including steel plants, high-speed rail corridors, oil & gas refineries, chemical complexes, and high-rise commercial structures.

Business Vertical	Key Offerings & Components	Scope of Execution	Target End-Markets
Heavy Steel Fabricated Structures	Heavy columns, crane girders, rafters, pipe racks, conveyor galleries, walkways, heavy-duty support systems	Grade procurement, cutting, bending, CNC drilling, welding, shot blasting, painting, trial assembly, and site logistics	Steel plants, mega refineries, petrochemical units, high-rise buildings
Precision / Technological Structures	Furnace supports, intermediate accumulator towers, galvanized tubing handrails, tight-tolerance assemblies	High-precision machining, strict dimensional tolerance control, match marking, priming, and protective coating	Heavy process industries, chemical plants, specialized manufacturing plants
Steel Bridge Structures (Rail & HSR)	Open web girders, composite plate girders, built-up bridge sections, pier/pier-cap formwork, FOB, ROB	Multi-grade fabrication, precision welding, full-scale trial assemblies, match marking, and transport	High-Speed Rail (Bullet Train), Indian Railways, dedicated freight corridors
Pre-Engineered Buildings (PEBs)	Built-up structural frames, crane beams, purlins, roof trusses, cold-formed/hot-rolled	End-to-end design, custom profiling, automated fabrication, sand/shot blasting, and turnkey	Warehousing, logistics parks, industrial sheds, factory buildings

	framing, sheeting	delivery	

Key Operational Strengths

Full Lifecycle Execution: Delivers comprehensive turnkey scope spanning metallurgical raw material procurement, high-tensile fabrication, advanced surface treatment (shot blasting, specialized multi-coat painting), and precision trial match-marking.

Stringent Quality & Engineering Approvals: Backed by RDSO certification for railway bridge girders and ISO 9001:2015 / ISO 14001:2015 management systems, qualifying the company for high-entry-barrier institutional contracts.

Scalable Manufacturing Footprint: Centralizing operations at the flagship Umbergaon facility to scale capacity from 30,000 MTPA to 54,000 MTPA by October 2026, capturing operating leverage across large-scale industrial projects.

Product-wise Revenue Contribution (in %)

Particulars	FY26 (% of Revenue)	FY25 (% of Revenue)
Heavy Steel Structures	76.00%	68.85%
Precision Steel Structures or Technological Structures	22.00%	27.00%
Steel Bridge Structures	2.00%	3.34%
PEB (Pre-Engineered Buildings)	0.00%	0.74%
Others (Scrap Sales)	0.00%	0.01%
Total (A)	**100.00%**	**99.94%**
Trading of Goods	0.00%	0.06%
Total (B)	**0.00%**	**0.06%**
Grand Total	**100.00%**	**100.00%**

Key Clientele

Some of the Company’s esteemed customers include Arcelor Mittal Nippon Steel India Limited, Tata Projects Limited, John Cockerill India Limited, Ray Engineering Private Limited, JSW Severfield Structures Limited and Panametrics Engineering Private Limited.

Arcelor Mittal Nippon Steel India Limited

Tata Projects Limited

John Cockerill India Limited

Ray Engineering Private Limited

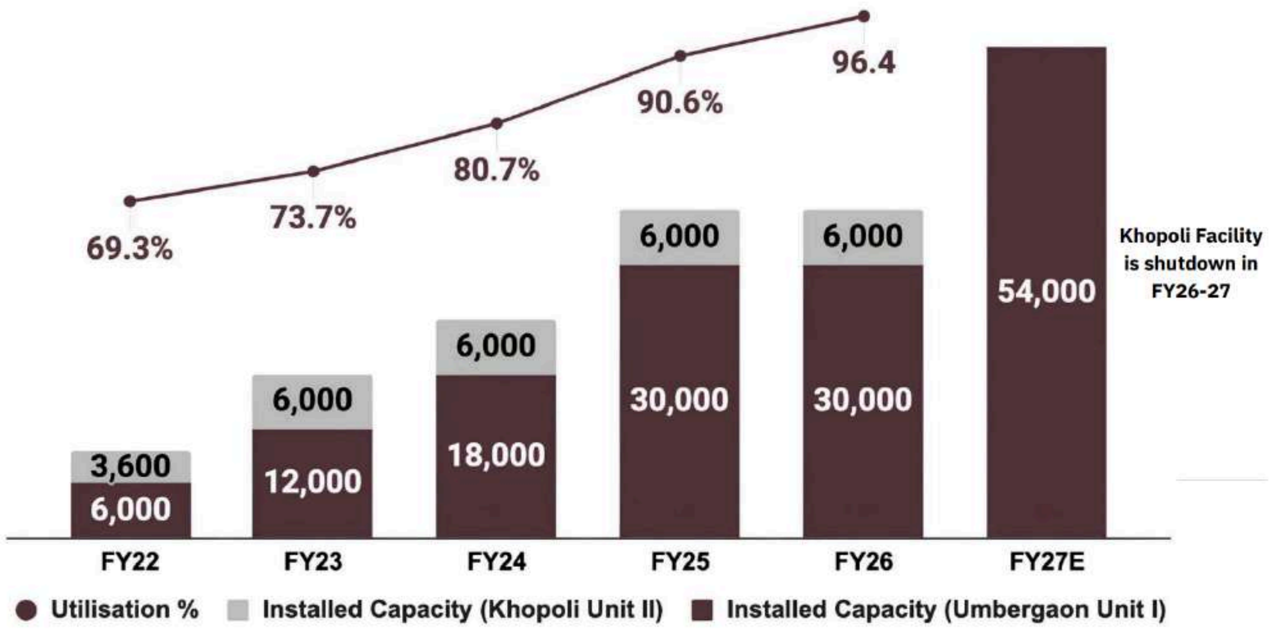
JSW Severfield Structures Limited

Panametrics Engineering Private Limited

Growth Drivers

Strategic Pivot to Pure-Play, High-Margin Manufacturing: The company has executed a deliberate structural transition away from commoditized trading operations (such as HR/MS plates, angles, rounds, and channels) to focus entirely on high-realization, precision manufacturing. By phasing out low-margin commodity turnover, trading revenue dropped from 0.06% in FY25 to virtually **0.00% in FY26**, transforming the business into a 100% pure-play value-added manufacturer; this portfolio optimization eliminates trading-related margin volatility, enhances structural EBITDA margins, and drives superior return on capital employed (ROCE).

Aggressive Capacity Scale-Up & Strategic Asset Rationalization: The company is executing a transformative expansion to scale total operational efficiency, driving an **80% capacity surge at its flagship Umbergaon facility from 30,000 MTPA to 54,000 MTPA by October 2026** to meet surging demand for heavy precision steel structures, PEBs, and railway bridge girders. In parallel, management is executing a value-accretive asset consolidation by phasing out the sub-scale Khopoli unit (6,000 MTPA across 56,084 sq. ft.), eliminating operational overheads from smaller facilities unable to service large, complex institutional orders and centralizing high-margin execution at its mega, RDSO-certified Umbergaon hub to maximize operating leverage and economies of scale.



High-Entry-Barrier Approvals & Robust Quality Moat

The company's Umbergaon facility serves as a critical growth engine, backed by stringent accreditations and multi-grade fabrication capabilities that create substantial barriers to entry in high-margin infrastructure segments. Overdimensional and overweight components are made with tight tolerance inspite of manufacturing challenges, lifting capacities of up to 40 mt per component, and further expanding these capabilities

RDSO Approval as an Institutional Moat: Approved by the Research Designs and Standards Organisation (RDSO), Ministry of Railways, for fabricating critical steel bridge girders (including composite and specialized plate girders). This qualification positions the company in an elite vendor tier, unlocking direct exposure to long-term railway capex and mega infrastructure tenders.

Certified Operating Infrastructure: Operational since 2017, the facility operates under integrated **ISO 9001:2015** (Quality Management) and **ISO 14001:2015** (Environmental Management) standards, ensuring compliance, operational consistency, and institutional client retention.

Broad Metallurgical & Engineering Capability:

High-Performance Raw Materials: Advanced processing capability across diverse steel grades (E250, E350, E450, wear-resistant Hardox, and galvanised steel), structural sections (I-beams, H-beams, universal beams, hollow sections), and seamless/ERW piping.

Precision Joining & Fastening: High-tensile, fastening systems combined with specialized welding methodologies (SMAW, flux-cored wires, mixed-gas shielding) to meet high-load structural specifications.

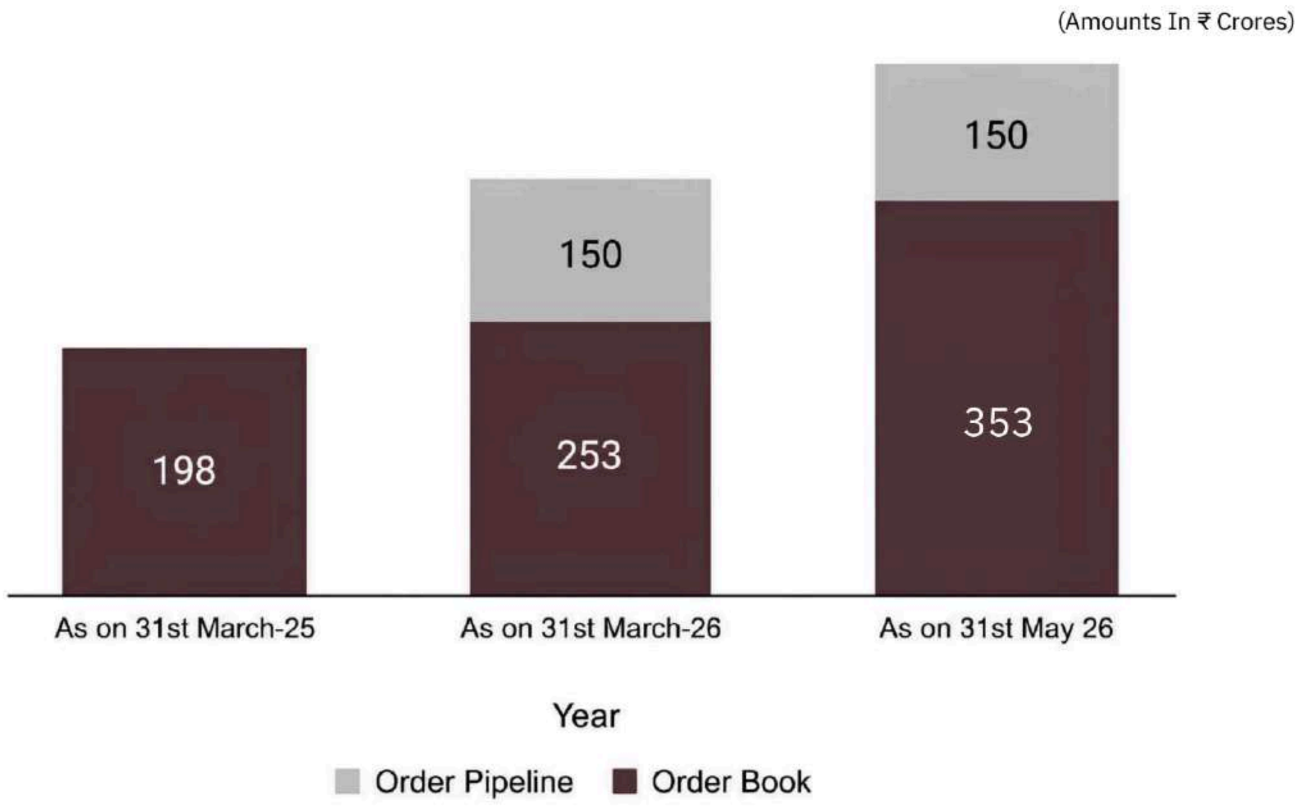
Commercial Implication: The convergence of RDSO compliance, specialized material handling, and certified quality controls enables superior bidding power, higher order-book realization, and margin expansion through complex, mission-critical fabrication projects.

Robust Revenue Visibility & Strong Order Pipeline

The company's commercial momentum provides high medium-term revenue visibility, backed by an expanding executable order book and a solid bid pipeline.

Firm Revenue Visibility: The outstanding executable order book stands at **₹253 Cr** as of March 31, 2026, anchoring near-term execution and top-line predictability.

Strong Bid Momentum: Active order pipeline of **₹150 Cr** under bidding/negotiation, positioning the business for sustained order inflow and market share gains.



Key Financial Highlights and Operational Performance

Revenue Growth Despite Operational Headwinds
Karbonsteel Engineering delivered a resilient performance during FY26, with revenue from operations increasing to ₹300.88 crore compared with ₹273.05 crore in FY25, reflecting continued demand across infrastructure, industrial and engineering segments. The company maintained growth momentum despite

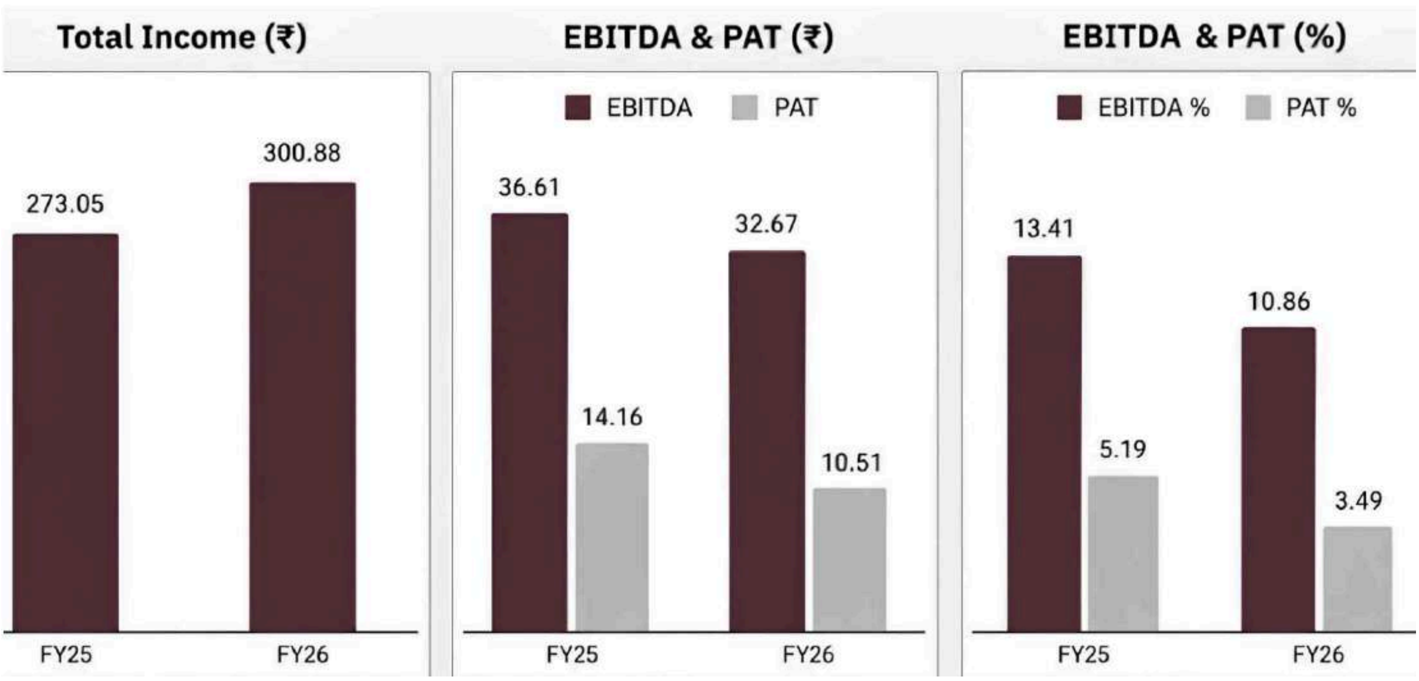
temporary disruptions related to gas availability, elevated input costs, labour constraints and project execution challenges.

EBITDA And PAT Impacted By Temporary Cost Pressures
EBITDA declined to ₹32.67 crore in FY26 from ₹36.61 crore in FY25, while EBITDA margin moderated from 13.41% to 10.86%, primarily due to higher raw material and consumable costs, elevated energy prices, and temporary operational disruptions during the year. PAT declined to ₹10.51 crore from ₹14.16 crore in FY25, impacted by lower operating margins and a ₹1.65 crore one-time bad debt write-off during FY26.

Underlying Profitability Remains Stronger Than Reported Earnings
The reported PAT for FY26 was impacted by certain non-recurring and transitional expenses associated with the Company's expansion initiatives and operational restructuring. These included a ₹1.65 crore one-time bad debt write-off, ₹2.40 crore rental cost associated with capacity expansion, and ₹1.84 crore one-time rundown cost related to the consolidation of the Khopoli plant.

After adjusting for these exceptional and expansion-related costs, the company's normalised PAT for FY26 stood at ₹16.56 crore, which is 57.6% higher than the reported PAT of ₹10.51 crore. This highlights the underlying strength of the business and indicates that FY26 profitability was temporarily impacted due to strategic investments undertaken to support future growth.

With the commissioning of the expanded Umbergaon capacity, improving operating leverage, and ongoing automation initiatives, the company expects improved volumes, better cost efficiency, and gradual margin improvement over the coming years.



Key Financial Ratios

The Ratios as per the latest amendment to Schedule III are as below:

Sr No.	Ratios	Numerator	Denominator	Current Period	Previous Period	Variance	Remarks
1	Current ratio	Current assets	Current liabilities	1.46	1.23	0.19	Higher current asset holdings and faster clearing of short-term liabilities.
2	Debt Equity Ratio	Debt	Shareholder's Equity	0.48	1.19	-0.60	Significant debt repayment and increase in total equity base.
3	Debt Service coverage ratio	Net Operating Income	Debt Obligation	1.02	2.89	-0.65	Lower net operating cash flows available for debt service obligations.
4	Return on Equity Ratio	Profit for the year	Avg Shareholders Equity	7%	17%	-0.58	Decline in net profit combined with an increased equity base.
5	Inventory Turnover Ratio	COGS	Average Inventory	1.94	1.95	-0.01	Negligible change; steady inventory holding period.
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	1.36	1.27	0.07	Marginally improved collection speed from debtors.
7	Trade payables turnover ratio	Total Purchases	Average Trade Payables	1.84	2.27	-0.19	Extended payment terms and higher average supplier payables.
8	Net working capital turnover ratio	Sales	Avg Working Capital	3.85	5.47	-0.30	Higher working capital block-up relative to sales growth.
9	Net profit ratio	Net Profit	Sales	0.03	0.05	-0.33	Margin squeeze due to increased operational costs and overheads
10	Return on Capital employed	EBIT	Capital Employed	17%	26%	-0.33	Lower EBIT generated against a higher total capital base.

11	Return on investment	Net Profit	Investment	NA	NA	NA	NA

Growth Strategy: Building Capacity, Enhancing Efficiency And Driving Growth

Karbonsteel Engineering is positioned for its next phase of growth through a combination of **manufacturing capacity expansion, stronger order visibility, sectoral diversification, and automation-led efficiency improvement**.

The Company is expanding its manufacturing footprint at **Umbergaon, Gujarat**, with more than **80,000 sq. m. of manufacturing space**, strengthening its ability to execute larger and more complex structural steel projects. The planned capacity enhancement will increase annual fabrication capacity to **54,000 MT by October 2026**, creating a potential revenue opportunity of **₹540+ crore** at an average realisation of ₹100/kg.

The company enters the next growth phase with strong revenue visibility supported by an order book of **₹353 crore** and an additional order pipeline of **₹150 crore**, providing execution visibility into FY27. The expanded capacity is expected to enable Karbonsteel to cater to rising demand across multiple end markets, including **railways, data centres, power plants, and industrial infrastructure**, supported by sustained infrastructure spending in India.

Alongside capacity expansion, the company is focusing on **automation and operational efficiency improvements** to enhance productivity, reduce labour dependency, improve process consistency, and support sustainable margin improvement. Automation-led initiatives are expected to strengthen manufacturing capabilities and improve the company's ability to execute high-value precision steel structure projects efficiently.

Through a combination of increased manufacturing scale, diversified sector exposure, strong order visibility, and technology-driven operational improvements, Karbonsteel aims to strengthen its position in the growing **Precision Steel Structures Solutions industry** and capitalise on India’s expanding infrastructure and industrial development cycle.

Strategic Response: Automating For The Future

To address the operational challenges experienced during FY25-26 and enhance long-term manufacturing efficiency, Karbonsteel Engineering has initiated automation-led transformation across critical production processes. These initiatives are aimed at improving productivity, reducing operational dependencies, enhancing quality consistency, and supporting sustainable margin improvement as the Company scales its Precision Steel Structures Solutions business.

The automation strategy is built around three key pillars:

HD Plasma Cutting Machine: The adoption of plasma cutting technology (Cutting/Drilling/ Bevelling) is expected to enable faster cutting cycles, reduce scrap and rework, and lower dependency on gas-based cutting processes. This will improve material utilisation and enhance overall production efficiency.

Automatic Beam Fit-Up & Welding Centre: Automation in beam fit-up and welding processes is expected to improve productivity, ensure consistent weld quality, and reduce labour dependency. This will strengthen the Company's ability to execute complex structural steel projects with improved precision and efficiency.

Automatic Blasting Facility: The automated blasting facility is expected to enhance throughput, improve surface quality, and reduce material wastage during finishing operations, leading to better process control and higher-quality output.

The automation initiatives are expected to deliver measurable operational benefits, including approximately 15% improvement in labour efficiency, around 25% reduction in labour costs across automated processes, significantly lower gas and consumable dependency, and improved output quality consistency through automated fit-up and blasting operations.

Through these investments, Karbonsteel aims to structurally enhance its manufacturing capabilities by improving productivity, reducing labour and gas dependency, strengthening quality standards, and supporting sustainable margin expansion. The company expects automation and sustainability initiatives to contribute approximately 1% improvement in operating margins from FY28.

Risk Management

During the financial year under review, the Company has identified and evaluates elements of business risk. Consequently, a Business Risk Management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business.

Internal control systems and their adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorized, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management along with documented policies, guidelines and procedures.

Human resource

The company's continued success depends on the ability to attract, develop and retain the best talent at every level. The Company's Human Resource (HR) Management practices are deep-rooted in ensuring a fair and reasonable process for all- round development of its talent. The Company strives to maintain a skilled and dedicated workforce, representing diverse experiences and viewpoints. The Company's HR Policy is focused on supporting employee's well-being. The Company finds it imperative to follow policies and regulations that produce an unbiased work and safe work environment.

Cautionary Statement

A cautionary statement is a disclaimer commonly included in corporate reports, presentations, or public communications to notify stakeholders of potential risks and uncertainties that could influence future outcomes. It underscores that certain forward-looking statements, projections, or expectations are based on assumptions and may be subject to change due to various factors, including market conditions, regulatory developments, economic fluctuations, or unforeseen events. The primary purpose of such a statement is to ensure that investors, analysts and other stakeholders are aware of the inherent risks and uncertainties related to the provided information, thereby safeguarding the organisation from liability if actual results differ from anticipated outcomes. Focusing on self-reliance, adaptability and global trends, the country is strategically positioned for sustained long-term growth and economic stability. Key government initiatives, including 'Make in India', infrastructure development and continuous policy reforms, remain central to driving economic progress.

Director’s Report

To
The Members,
KARBONSTEEL ENGINEERING LIMITED
{CIN: L74120MH2011PLC216558}
B-8, Ratnadeep Cosmopolitan CHS LTD, 140-141 S.V. Road,
Nr. Shoppers Stop, Andheri (W), Mumbai MH 400058 IN.

The Board of Directors (“Board”) present this 15th (Fifteenth) Annual Report of the company together with the audited financial statements for the financial year ended on March 31, 2026.

Financial Highlights

The company's financial highlights for the year under review, along with previous year’s figures, are given hereunder:

Particulars	(Amount in Lakhs.)	
	FY26	FY25
Revenue from operations	30,087.75	27,305.35
Other Income	81.7	85.47
Total Income	30,169.45	27,390.81
Less: Expenditure	28,715.07	25,479.72
Profit/(Loss) before Tax	1,454.38	1,911.10
Tax Expense		
Current Tax	375.84	476.49
Deferred Tax	27.76	18.67
Profit/(Loss) after Tax	1,050.78	1,415.93
Earnings Per Share (F.V. Rs. 10 per Equity Share)	8.22	12.78

Operations and state of the affairs of the company

During the financial year ended on March 31, 2026, the Company achieved total income of Rs. 30,169.45 Lakhs as compared to total income of Rs. 27,390.81 Lakhs during the previous financial year. The profit before tax stood at Rs. 1,454.38 Lakhs against profit of Rs. 1,911.10 Lakhs in the previous year. The net profit stood at Rs. 1,050.78 Lakhs against profit of Rs. 1,415.93 Lakhs reported in the previous year.

Change in nature of business

There was no change in the nature of business during the financial year ended on March 31, 2026 and the company has continued to carry on the existing business of the Company.

Dividend

The Board of Directors does not recommend dividend for the Financial Year ended on March 31, 2026.

Transfer to reserves

The Board of Directors has decided to plough back the entire amount of profit in the business. Accordingly, the Company has not transferred any amount to the 'General Reserves' for the financial year ended March 31, 2026.

Human resource

The company's continued success depends on the ability to attract, develop and retain the best talent at every level. The Company's Human Resource (HR) Management practices are deep-rooted in ensuring a fair and reasonable process for all- round development of its talent. The Company strives to maintain a skilled and dedicated workforce, representing diverse experiences and viewpoints. The Company's HR Policy is focused on supporting employee's well-being. The Company finds it imperative to follow policies and regulations that produce an unbiased work and safe work environment.

Subsidiary, associate and joint venture company

During the financial year ended on March 31, 2026, the Company has no subsidiary or associates or joint venture company. There are no companies which have become or ceased to be the Subsidiary or Associates or Joint Venture of the Company during the financial year ended on March 31, 2026.

Consolidated financial statement

Since the Company does not have any Subsidiary, Associate or Joint Venture Company as at March 31, 2026, the provisions relating to preparation and presentation of Consolidated Financial Statements under Section 129(3) of the Companies Act, 2013, read with the applicable Rules made thereunder, were not applicable to the Company during the financial year under review.

Deposits

The Company has not accepted any deposit falling under Chapter V of the Companies Act, 2013 ("The Act") during the financial year ended March 31, 2026 and There were no such deposits outstanding at the beginning and end during the financial year ended March 31, 2026.

IPO Proceeds

The Company made an Initial Public Offering ("IPO") of 37,29,600 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 149/- per Equity Share aggregating to Rs. 59.30 Crores. The IPO comprised of a Fresh Issue of 30,39,600 Equity Shares amounting to Rs. 48.33 Crores and an Offer for Sale of 6,90,000 Equity Shares by the Promoter Selling Shareholders. Consequently, the paid-up equity share capital increased from Rs. 11,10,22,220/- to Rs. 14,14,18,220/-.

The Equity Shares of the Company were listed on the SME Platform of BSE Limited on September 16 2025.

The Company has utilised the proceeds received from the Fresh Issue towards the objects stated in the Prospectus. The details of utilisation of IPO proceeds as on March 31, 2026 are as follows;

Sr. No.	Particulars	Amount as per Prospectus (in Cr)	Amount Utilised up to March 31, 2026 (in Cr)	Unutilised Amount as on March 31, 2026 (in Cr)
1	Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds	12.29	7.38	4.91
2	Repayment of a portion of certain borrowings availed by our Company	3.08	3.03	0.05
3	To meet the Working Capital requirements	25.25	25.02	0.23
4	General Corporate Purpose	4.3	3.1	1.2

Pursuant to the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, the Company has appointed CARE RATINGS LIMITED as a Monitoring Agency to monitor the utilisation of IPO proceeds. The Monitoring Agency Reports are submitted to the Stock Exchange(s) on a periodic basis and are available on the website of the Company.

Material changes affecting the financial position of the company

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year ended March 31, 2026 and date of this report.

Details of 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 ended on March 31, 2026, no significant and material orders have been passed by any Regulator or Court or tribunal which can have an impact on the going concern status and the Company's operations in the future.

Particulars of contracts or arrangements with related parties

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party(ies) are in the ordinary course of business and on arms' length basis. Hence, no particulars in form AOC-2 are furnished.

The details of related party transactions entered into by the Company during the financial year are disclosed in the notes forming part of the financial statements.

Particulars of loans, guarantees, investments under section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements if any.

Share Capital

During the year under review, the Authorised Equity Share Capital as on March 31, 2026, stood at Rs. 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 equity shares of Rs. 10/- each.

The paid-up equity share capital as on March 31, 2026, increased from Rs. 11,10,22,220/- to Rs. 14,14,18,220/- (Rupees Fourteen Crore Fourteen Lakhs Eighteen Thousand Two Hundred and Twenty only) comprising of 1,41,41,822 equity shares of Rs. 10/- each.

During the year under review, the Company successfully completed its Initial Public Offering ("IPO") on the SME Platform of BSE Limited. Pursuant to the Fresh Issue, the Company allotted 30,39,600 Equity Shares of Rs. 10/- each at an issue price of Rs. 159/- per Equity Share, including a premium of Rs. 149/- per Equity Share, aggregating to Rs. 48,32,96,400**/-**. The IPO also comprised an Offer for Sale of 6,90,000 Equity Shares by the existing Selling Shareholders. The Equity Shares allotted pursuant to the Fresh Issue were duly listed on the SME Platform of BSE Limited.

Disclosure relating to equity shares with differential rights

During the financial year ended March 31, 2026, the Company has not issued any equity shares with differential rights and hence reporting requirement, as mentioned in Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

Disclosure relating to sweat equity share

During the financial year ended March 31, 2026, the Company has not issued any sweat equity shares and hence reporting requirement as mentioned in Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

Disclosure relating to employee stock option scheme and employee stock purchase scheme

During the financial year ended March 31, 2026, the Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme. Hence reporting requirements as mentioned in Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

Disclosure relating to employee stock option scheme and employee stock purchase scheme

During the financial year ended March 31, 2026, there are no shares held by trustees for the benefit of employees and hence no disclosure has been made under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.

Web link for annual return

The Copy of Annual Return as required under section 92 of the Companies Act, 2013 read with the rule 12 of the Companies (Management and Administration) Rules, 2014 will be available on the website of the Company www.karbonsteel.com at the link https://karbonsteel.com/disclosures-as-per-regulation-46-of-the-sebi-lodr_regulations/#annual-return after filing annual return, on completion of ensuing annual general meeting with the Registrar of Companies within the time stipulated in said section 92 of Act.

Board of directors and key managerial personnel

- In terms of the provision of section 152 of the Companies Act, 2013 and of Articles of Association of the Company, Mr. Shrenik Kirit Shah (DIN: 02070901), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The re-appointment is being placed for your approval at the AGM.
- All Independent Directors have furnished the declarations to the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations and the Board has taken on record the said declarations after undertaking due assessment of the veracity of the same.
- The Company has also received Form DIR-8 from all the Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.
- During the financial year 2025-26, there were no changes in Director of the Company. However, following changes took place in the Key managerial Personnel during the year;
    a. Ms. Jankhana Vasanji Gala resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. June 30, 2025.
    b. Ms. Siddhi Bharatbhai Parmar was appointed as Company Secretary and Compliance Officer of the Company w.e.f. July 01, 2025.
- Further, none of the Directors are disqualified for being appointed as the Director of the Company in terms of section 164 of the Companies Act, 2013

Board of Directors and Committee thereof

i. Composition of the Board of Directors:

The composition of the Board of Directors ("the Board") is in compliance with the applicable provisions of the Companies Act, 2013. The Board of the Company is composed of individuals from diverse fields. The Board of the Company is composed of Executive, Non-Executive and Independent Directors. The composition of the Board complies with the provisions of the Companies Act, 2013.

As on March 31, 2026, the strength of the Board of Directors of the Company comprised Five Directors comprising of Two Executive, One Non-Executive Director and Two Non-Executive Independent Directors. The details of the Board of Directors as on March 31, 2026 are given below:

Name of the Director	Designation	Date of Joining
Mr. Shrenik Kirit Shah	Managing Director	25/04/2011
Mr. Mittal Shrenik Shah	Whole-time director	25/08/2022
Mr. Saurabh Bhansali	Non-Executive Director	01/07/2024
Mr. Mihen Jyotindra Halani	Non-Executive, Independent Director	25/06/2024
Mr. Sunil Kathariya	Non-Executive, Independent Director	01/05/2024

ii. Board Meetings:

The Board of Directors of the Company duly met 13 (Thirteen) times as follows;

Sr. No.	Date of Meeting	No. of Directors eligible to attend meeting	No. of Directors Attended meeting
1	04.04.2025	5	5
2	29.04.2025	5	2
3	27.05.2025	5	2
4	30.05.2025	5	2
5	01.07.2025	5	3
6	02.08.2025	5	3
7	14.08.2025	5	5
8	29.08.2025	5	4
9	04.09.2025	5	2
10	12.09.2025	5	2
11	12.09.2025	5	3
12	13.11.2025	5	5
13	09.03.2026	5	5

The gap between two Board meetings was in compliance with the provisions of the Act. Details of Directors as on March 31, 2026 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2026 are given below:

Name of the Director	Category	No. of the Meeting eligible to attend	No. of the Meeting attended	Attended at AGM
Mr. Shrenik Kirit Shah	Managing Director	13	13	Yes
Mr. Mittal Shrenik Shah	Whole-time director	13	13	Yes
Mr. Saurabh Bhansali	Non-Executive Director	13	6	Yes
Mr. Mihen Jyotindra Halani	Non-Executive, Independent Director	13	6	Yes
Mr. Sunil Kathariya	Non-Executive, Independent Director	13	5	Yes

iii. Audit Committee:

The Audit Committee is duly constituted in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its power) Rules, 2014. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013.

The members of the Audit Committee of the Company as on March 31, 2026 are as under:

Name of the Director	Status in Committee	Nature of Directorship
Mihen Halani	Chairman	Independent Director
Sunil Kathariya	Member	Independent Director
Shrenik Kirit Shah	Member	Managing Director

The Audit Committee Meetings were duly convened during the financial year ended March 31, 2026 on following dates:

Sr.No.	Date of Meeting	No. of Directors eligible to attend meeting	No. of Directors Attended meeting
1	04-04-2025	3	3
2	01-07-2025	3	3
3	14-08-2025	3	3
4	04-09-2025	3	3
5	13-11-2025	3	3

iv. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is constituted in accordance with the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of board and its power) Rules, 2014.

The members of the Nomination and Remuneration Committee of the Company as on March, 31, 2026 are as under:

Name of the Director	Status in Committee	Nature of Directorship
Mihen Jyotindra Halani	Chairman	Independent Director
Sunil Kathariya	Member	Independent Director
Saurabh Bhansali	Member	Non-Executive Director

The Nomination and Remuneration Committee Meetings were duly convened during the financial year ended March 31, 2026 on following dates:

Sr.No.	Date of Meeting	No. of Directors eligible to attend meeting	No. of Directors Attended meeting
1	04-04-2025	3	3
2	01-07-2025	3	3

v. Stakeholders Relationship Committee

The Stakeholders Relationship Committee in terms of the provisions of section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, comprising following members as on March 31, 2026; .

Name of the Director	Status in Committee	Nature of Directorship
Mihen Jyotindra Halani	Chairman	Independent Director
Sunil Kathariya	Member	Independent Director
Saurabh Bhansali	Member	Non- Executive Director

During the financial year ended March 31, 2026, no investor complaints were received and hence no meeting was required to be convened.

vi. Corporate Social Responsibility (CSR) committee

The Company is required to spend towards corporate social responsibility under section 135 of the Companies Act, 2013. The details of amount spent towards Corporate Social Responsibility during the financial year ended March 31, 2026, is given in ANNEXURE A.

The Corporate Social Responsibility Committee comprises following members as on March 31, 2026;

Name of the Director	Status in Committee	Nature of Directorship
Sunil Kathariya	Chairman	Independent Director
Saurabh Bhansali	Member	Non-Executive Director
Shrenik Kirit Shah	Member	Managing Director

The CSR Committee Meetings were duly convened during the financial year ended March 31, 2026 on following day:

Sr.No.	Date of Meeting	No. of Directors eligible to attend meeting	No. of Directors Attended meeting
1	12-09-2025	3	3

Director’s Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the financial year ended March 31, 2026; the Board of Directors hereby confirms 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. such accounting policies have been selected and applied consistently and the Directors 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 as at March 31, 2026 and of the profit of the Company for the year ended on that date;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. the Director have laid down internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance Report

The Equity Shares of the Company were listed on the SME Platform of BSE Limited with effect from September 16, 2025. Pursuant to the provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 (except regulation 23) and clause (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of schedule V are not applicable to the Company being SME Listed Company.

The Company has obtained a certificate from the Practicing Company Secretary (PCS) confirming the non-applicability of Corporate Governance provisions to the Company for the financial year ended March 31, 2026.

Declaration By Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made there under.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (“IICA”). Further, as per the declarations received, all the Independent Directors of the Company have either passed or were exempted to clear online proficiency test as per the first proviso to Rule 6(4) of the MCA Notification dated October 22, 2019 and December 18, 2020.

Policy On Remuneration Of Directors

The Company follows a policy on remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company. The policy is approved by the

Nomination & Remuneration Committee of the Company and has been uploaded on the Company's website and can be accessed at the https://www.karbonsteel.com/corporate-governance/

The Company with the approval of Nomination & Remuneration Committee has adopted a policy on Board diversity and the recommendation of candidature for Board appointment will be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

Performance Evaluation Of Board, Committees And Directors

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees, Individual Directors, Chairperson and the CEO/ Managing Director etc., for the financial year ended March 31, 2026.

Code of Conduct

The Company has adopted a code of conduct for its directors and designated senior management personnel. All the Board members and senior management personnel have agreed to follow compliance of code of conduct.

Whistle Blower Policy/Vigil Mechanism Policy

Pursuant to the provisions of Section 177 of the Act, the Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company.

The said Policy is available on the Company website and can be accessed by web link https://www.karbonsteel.com/wp-content/uploads/2025/09/Whistle-Blower-Vigil-Mechanism-Policy.pdf

During the financial year ended March 31, 2026, no complaint was received under the Vigil Mechanism/ Whistle Blower Policy of the Company.

Familiarization Program Of Independent Directors

The Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the familiarization program is also available on the website of the Company and can be accessed by weblink https://www.karbonsteel.com/corporate-governance/

Internal Control Systems And Their Adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorized, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.

- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management along with documented policies, guidelines and procedures.

Risk Management

During the financial year ended March 31, 2026, the Company has identified and evaluated elements of business risk. Consequently, a Business Risk Management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanisms of such risks. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business.

Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place prevention of Sexual Harassment at workplace policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly.

During the financial year ended March 31, 2026, the disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during the financial year : Nil
Number of complaints disposed of during the financial year: Nil
Number of complaints pending as on end of the financial year: Nil

The Code On Social Security, 2020 - Maternity Benefit

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the financial year ended March 31, 2026.

Remuneration Of Directors And Particulars Of Employees:

Further, particulars of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the second proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the said information is being sent to the members of the Company. The said information is available for inspection and any member interested in obtaining such information may write to the Company Secretary.

Auditor's Report

During the financial year ended March 31, 2026, the Notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation. Further, the Directors of the Company confirm that during the year under review, no instances of fraud were reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules made thereunder either to the Company or to the Central Government.

Statutory Auditor

As per the provisions of section 139 of the Companies Act, 2013 M/s. Rao & Shyam, Chartered Accountants, (ICAI Firm Registration No. 006186S), auditors of the Company were appointed for term of five years. They hold the office from the conclusion of the 13th Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the financial year 2029-30 and on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company.

Cost Auditor

M/s. Mayur Chhaganbhai Undhad & Co., Cost Accountants (FRN 103961) were appointed by the Board of Directors at its Meeting held on August 14, 2025, as the Cost Auditors of the Company for the Financial Year 2025-26, for all the applicable products, pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

The Company has prepared and maintained cost accounts and records for the Financial Year 2025-26, as per sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

The Cost Audit Report for the Financial Year 2025-26 has been received by the Company from the Cost Auditor. The said report does not contain any qualification, reservation, adverse remark or disclaimer requiring any explanation or comments from the Board of Directors pursuant to the provisions of Section 134(3)(f) of the Companies Act, 2013.

Internal Auditor

During the financial year ended March 31, 2026, the Company had appointed M/s. Desai Bhansali & Associates LLP (Firm Registration No. W100190/Membership No. 139874) on 12th September, 2025, who were appointed as the Internal Auditor of the Company for the Financial year 2025-26, have tendered their resignation due to pre-occupation in other activities vide letter dated 6th November, 2025, effective from 12th November, 2025.

Further, M/s. Chintan D Shah & Associates, Chartered Accountant, (Firm Registration No-146176W) based on the recommendation of the Audit Committee, were appointed by the Board of Directors at its Meeting held on November 13, 2025, as the Internal Auditors of the Company for the Financial Year 2025-26, pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The Internal Auditor submitted periodic reports to the Audit Committee and the Board.

Secretarial Auditor

Ms. Amita Karia, Practising Company Secretary, (holding CP No. 16962) were appointed by the Board of Directors at its Meeting held on November 13, 2025, as the Secretarial Auditors of the Company for the Financial Year 2025-26, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial audit report in form MR-3 for the financial year 2025-26 is attached here as ANNEXURE B.

The Board has taken note of the observation and has advised that necessary measures be undertaken to strengthen the internal compliance framework and controls to ensure timely and proper compliance with all applicable statutory filing requirements in future.

During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as stipulated in Regulation 34 (2) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been annexed to Board's report herewith ANNEXURE C.

Compliance of Secretarial Standards

During the financial year ended March 31, 2026, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

Internal Financial Control And Their Adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

During the financial year ended March 31, 2026, no unclaimed or unpaid dividend amounts or corresponding equity shares were required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of the IEPF Rules.

Details of proceedings under the Insolvency and Bankruptcy Code, 2016

1. During the financial year ended March 31, 2026, no application was made and no proceedings were pending against the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

2. During the financial year ended March 31, 2026, there was no One Time settlement with any bank or Financial Institution.

Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to the provisions of **Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**, the following particulars are provided:

A. Conservation of Energy

The Company is engaged in structural engineering and fabrication of heavy and precision steel structures. The Company continuously endeavours to conserve energy and improve energy efficiency in its manufacturing and fabrication operations.

During the financial year ended March 31, 2026, the Company has taken measures for efficient utilisation of energy through optimum utilisation of plant and machinery, regular maintenance of equipment and machinery, optimisation of manufacturing processes and prevention of avoidable energy consumption.

Steps taken for utilisation of alternate sources of energy:

The Company has proposed to install a solar power system at its factory premises, which is expected to contribute towards increased utilisation of renewable energy and reduction in conventional energy consumption.

Capital investment on energy conservation equipment:

During the financial year ended March 31, 2026, the Company has not made any material capital investment specifically towards energy conservation equipment.

B. Technology Absorption

The Company continues to adopt and utilise modern and appropriate technology in its structural engineering and fabrication operations with a view to improving productivity, precision, quality and operational efficiency.

During the year under review, the Company continued to utilise technology-enabled manufacturing and fabrication equipment, including CNC-based cutting and drilling equipment and automated/advanced welding equipment, as part of its manufacturing processes. The adoption and utilisation of such technology has contributed to improved accuracy and precision, enhanced productivity, better quality of fabrication, reduction in material wastage and efficient utilisation of resources.

Benefits derived from technology absorption:
The Company has derived benefits in terms of improved productivity, precision, quality, operational efficiency and better utilisation of materials and resources.

Imported Technology:
During the financial year ended March 31, 2026, the Company has not imported any technology requiring disclosure under Rule 8(3)(b) of the Companies (Accounts) Rules, 2014.

Research and Development:
The Company does not have a separate Research and Development facility. However, continuous improvement and optimisation of manufacturing and fabrication processes are undertaken as part of the Company's regular operations.

C. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo during the period under review are as follows:

Earnings in Foreign Exchange: Nil
Expenditure in Foreign Currency: Nil

Listing with Stock Exchanges

The equity shares of Karbonsteel Engineering Ltd (Scrip Code: 544511) are listed and admitted to dealings on the BSE Limited (SME Platform) with effect from September 16, 2025.
has been filed.

Acknowledgements and Appreciation

Your directors take this opportunity to thank the business partners/associates and various regulatory authorities for their consistent support/ encouragement to the Company.

Your directors would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

For and on behalf of the Board of
KARBONSTEEL ENGINEERING LIMITED

Shrenik Kirit Shah
Chairman & Managing Director
DIN: 02070901

Place: Mumbai
Date: August 26, 2026

ANNEXURES A TO BOARDS' REPORT

ANNUAL REPORT ON CSR

[Pursuant to Section 134(3)(o) of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **Brief outline on CSR Policy of the Company:**

The CSR policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of Company and is committed to undertake CSR activities in accordance with the CSR Regulations. The company conducts its business in a sustainable and socially responsible manner. This principle has been an integral part of the Company's corporate values and believe that corporate growth and development should be inclusive, and every Company must be responsible and shall contribute towards the betterment of society. The company is committed to the safety and health of the employees, protecting the environment and the quality of life in all regions in which the Company operates. Further, with respect to the Company's CSR philosophy, the Board has constituted the "CSR Committee" as its core CSR team, as a means of fulfilling this commitment.

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013 and CSR Policy gives an overview of the projects and programs which are proposed to be undertaken by the Company in the coming years.

2. **The Composition of the CSR Committee:**

Sr. No.	Name of the Director	Nature of Directorship	Designation	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Sunil Kathariya	Chairman	Independent Director	1	1
2	Saurabh Bhansali	Member	Non-Executive Director	1	1
3	Shrenik Kirit Shah	Member	Managing Director	1	1

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

a) CSR Committee:
https://karbonsteel.com/disclosures-as-per-regulation-46-of-the-sebi-lodr-regulations/

b) CSR Policy: https://karbonsteel.com/disclosures-as-per-regulation-46-of-the-sebi-lodr-regulations/

c) CSR projects approved by the Board:

https://karbonsteel.com/disclosures-as-per-regulation-46-of-the-sebi-lodr-regulations/

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.** Not Applicable

5. **a) Average net profit of the Company for last three financial years as per section 135(5):**

Sl. No.	Particulars	Amount (in Lacs)
1	FY 2024-25	1911.10
2	FY 2023-24	1267.94
3	FY 2022-23	696.34
Average net profit of the Company for last three financial year		**1291.91**

b) Two percent of average net profit of the company as per sub-section (5) of section 135. - Rs. 25.84 lakhs

c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

d) Amount required to be set-off for the financial year, if any. : Nil

e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 25.84 lakhs

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). –** Rs. 26.50 lakhs

(b) Amount spent in Administrative Overheads. - Nil
(c) Amount spent on Impact Assessment, if applicable. - Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. – Rs. 26.50 lakhs
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakhs)	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
26.50	NA	NA	NA	NA	NA

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

S. 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 ` Lacs)	Mode of implementation - Direct (Yes/No).	Mode of implementation- Through implementing agency.	
				State	District			Name	CSR registration number
1	Improve the living standards of women, support of development and education of underprivileged children, provide medical assistance, distribute essential foods	i, ii, iii	No	Gujarat	Ahmedabad	10.00	No	Jay Harihar Krupa Foundation	CSR00078243
2	Distributing food packets/Grains to needy people, Rural Development, Women Empowerment, Medical activities and Environment protection activities	i, ii, iii, iv, x	No	Gujarat	Ahmedabad	11.00	No	Karnavati Charitable Trust	CSR00089479
3	food/grain distribution, medical assistance, education	i, ii, iii	Yes	Maharashtra	Mumbai	5.50	No	Shri Chandraprabh Swami Jain Foundation	CSR00021820

(f) Excess amount for set off if any

Sl. No.	Particular	Amount (in `Lacs)

(i)	Two percent of average net profit of the Company as per section 135(5)	25.84
(ii)	Total amount spent for the Financial Year	26.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.66
(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)]	0.66

Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

<table>
<tr><th rowspan="2">SI No</th><th rowspan="2">Preceding Financial Year.</th><th rowspan="2">Amount transferred to Unspent CSR Account under section (6) of 135 (In lakhs)</th><th rowspan="2">Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in lakhs)</th><th colspan="2">Amount transferred to any fund specified under Schedule VII as per sub section (5) of Section 135, if any.</th><th>Amount Spent in the Financial year</th><th rowspan="2">Amount remaining to be spent in succeeding financial years (in Lakhs)</th><th>Deficiency, if any</th></tr>
<tr><th>Name of the Fund Amount (in Rs).</th><th>Date of transfer</th><th></th><th></th></tr>
<tr><td colspan="9">NA</td></tr>
</table>

7. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**
There was no creation or acquisition of capital assets through CSR spent in the financial year 2025-26.

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

For and on behalf of the Board of
KARBONSTEEL ENGINEERING LIMITED

Shrenik Kirit Shah
Chairman & Managing Director
DIN: 02070901
Address: 301/302, Vijaya Apartment, Bajaj Road,
Vile Parle West, Mumbai - 400056

Place: Mumbai
Date: August 26, 2026

ANNEXURES B TO BOARDS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

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

To,
The Members,
Karbonsteel Engineering Limited
CIN: L74120MH2011PLC216558
B-8, Ratnadeep Cosmopolitan CHS LTD, 140-141 S.V. Road,
NR. Shoppers Stop, Andheri (W), Mumbai-400058, Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Karbonsteel Engineering Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 (the "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

I. The Companies Act, 2013 ("the Act") and the rules made there under;
II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable to the Company during the Audit Period;
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");
    A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    B. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    C. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

E. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - ***Not Applicable to the Company during the Audit Period***;
F. The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, 2021- ***Not Applicable to the Company during the Audit Period***;
G. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
H. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - ***Not Applicable to the Company during the Audit Period*****; and**
I. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - ***Not Applicable to the Company during the Audit Period****;*

VI. I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

(i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("The ICSI");
(ii) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

To the best of our knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

a) During the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The committee of the Board is duly constituted. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the directors and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) All decisions at Board Meetings and Committee Meetings are carried out unanimously/with requisite majority, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Further, the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above *except*:

- *It was observed that the Company has not filed e-Form MGT-14 with the Registrar of Companies in respect of the Board Resolutions approving; (i) the increase in remuneration of the Managing Director; and (ii) availing of financial facilities from banks/financial institutions, as required under the provisions of section 117 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and section 179 of the Companies Act, 2013;*

I further report that during the audit period, the following event/action has taken place having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. referred to above;

a. During the year under review, the Company approved the Red Herring Prospectus ("RHP") dated August 29, 2025 in connection with the proposed Initial Public Offer ("IPO") and listing of its Equity Shares on the SME Platform of BSE Limited. The proposed Issue comprised of a Fresh Issue of up to 30,39,600 Equity Shares and an Offer for Sale of up to 6,90,000 Equity Shares, aggregating to an Issue of up to 37,29,600 Equity Shares of face value of ₹10/- each, at such price as may be determined through the Book Building process, in accordance with the applicable provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

b. During the year under review, the Board approved the allotment of 30,39,600 Equity Shares pursuant to the Fresh Issue component of the Initial Public Offer (IPO) of the Company on the SME Platform of BSE Limited and authorised the designated officials to complete the credit of shares, statutory filings, including filing of e-Form PAS-3, and all other regulatory formalities in connection with the allotment. The 6,90,000 Equity Shares forming part of the Offer for Sale were existing Equity Shares offered by the Promoter Selling Shareholders.

c. The equity shares of Karbonsteel Engineering Ltd (Scrip Code: 544511) are listed and admitted to dealings on the BSE Limited (SME Platform) with effect from September 16, 2025.

d. The Board of Directors, at its meeting held on March 09, 2026, approved, subject to the approval of the members, the enhancement of the Company's borrowing limits up to ₹300 Crores pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013.

I further report that during the audit period, the Company has co-operated with us and have produced before us all the
required forms of information, clarifications, returns and other documents as required for the purpose of our audit.

For Amita Karia
Practicing Company Secretaries

Date: August 26, 2026
Place: Mumbai
UDIN: F011066H001225818

CP No. 16962
FCS No. 11066

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.

Annexure A

To,
The Members,
Karbonsteel Engineering Limited
CIN: L74120MH2011PLC216558
B-8, Ratnadeep Cosmopolitan CHS LTD, 140-141 S.V. Road,
NR. Shoppers Stop, Andheri (W), Mumbai-400058, Maharashtra, India

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

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

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

For Amita Karia
Practicing Company Secretaries
Date: August 26, 2026
Place: Mumbai
UDIN: F011066H001225818

CP No. 16962
FCS No. 11066

Independent Auditor's Report

<u>To the Members of Karbonsteel Engineering Limited</u>

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Karbonsteel Engineering Limited** ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, and the cash flow statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and profit for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

(a) We would like to draw your attention to financial statement that company is having balances of Trade Receivables. Though we have performed alternate procedure based on the subsequent realization testing and obtained comfort on the validity and accuracy of transactions, we are not able to comment on the balances due to confirmations being not available.
(b) We would like to draw your attention to financial statement that company is having outstanding balances of Sundry Creditors. Due to confirmations being not available, we are unable to comment for those balances and its consequent effect, if any on these Standalone Financial Statements.

Our conclusion is not modified in respect of above matters

Responsibility of Management for Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
(a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
(b) The Balance Sheet, the Statement of Profit and Loss, the cash flow statement dealt with by this Report are in agreement with the books of account
(c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
(d) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
(e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B

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

i. The Company does not have any pending litigations which may affect the financial position of the company

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

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

CA VIBHOR KALA
Partner
M. NO.: 143553

Place: Mumbai
Date: 30th May, 2026
UDIN No.: 26143553OLYFCY8440

"Annexure A" to the Independent Auditor's Report of even date on the Financial Statements of Karbonsteel Engineering Limited

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2026:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

(d) During the year under consideration there has not been any proceedings against the company under the Benami Transactions (Prohibition) Act, 1988

e) No proceedings have been initiated or are pending against company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

(ii) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account and were not material.

(iii) (a) The Company has granted loan to a body corporate covered in the register maintained under section 189 of the Companies Act, 2013. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of repayment of the principal amount.

(b) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.

(iv) The company has not given any loan or guarantees or securities to any directors of the company. However the company has given corporate guarantees to a body corporate in which the directors are interested. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacturing activities and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Services Tax Act, Duty of Customs,Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2026 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, the company does not have any Goods and Services Tax Act, Duty of Customs, or Income Tax pending payment in respect of any dispute before any forum.

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not issued any debenture for raising of money

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) In our opinion and according to the information and explanation give to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act 2013 are not applicable

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

(xvii) Based on our examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. I however state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xviii) There are no unspent amounts of Corporate Social Responsibility (CSR), requiring transfer to a fund specified in Schedule VII to the Companies Act. Accordingly, reporting under Clause 3(xx)(a) of the Order is not applicable for the year;

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

CA VIBHOR KALA
Partner
M. NO.: 143553

Place: Mumbai.
Date: 30th May, 2026
UDIN No.: 26143553OLYFCY8440

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

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

We have audited the internal financial controls over financial reporting of **KARBONSTEEL ENGINEERING LIMITED** (“the Company”) as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of chartered accountants of India.

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

CA VIBHOR KALA
Partner
M. NO.: 143553

Place: Mumbai.
Date: 30th May, 2026
UDIN No.: 26143553OLYFCY8440

Balance Sheet as on 31st March, 2026				
				All figures in ₹ lakh
	Particulars	Note	As at 31.03.2026	As at 31.03.2025
	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	Share capital	3	1,414.18	1,110.22
	Reserves and surplus	4	10,099.60	4,926.75
			11,513.78	6,036.97
2	Non-Current Liabilities			
	Long-term borrowing	5	1,013.77	1,579.01
	Deferred tax liabilities (Net)	6	92.2	64.44
	Long term provision	7	42.21	35.25
			1,148.17	1,678.70
3	Current Liabilities			
	Short term borrowings	8	4,521.05	5,611.45
	Trade payables	9		
	a) total outstanding dues of micro enterprises and small enterprises; and		159.48	270.02
	b) outstanding dues of creditors other than micro enterprises and small enterprises.		7,140.54	6,761.95
	Other current liabilities	10	872.62	2,481.94
	Short term provisions	11	384.68	434.5
			13,078.37	15,559.86
	TOTAL		**25,740.33**	**23,275.52**
II	ASSETS			
1	Non-Current Assets			
	Property, Plant and Equipment and Intangible assets			
	Property, plant and equipment	12	3,837.87	3,579.33
	Intangible assets		6.11	9.82
	Work-in-progress		2,348.30	-
			6,192.28	3,589.15
	Long term loans and advances	13	89.35	284.3
	Deferred tax assets (net)	14	-	-

	Other non current assets	15	334.48	306.45
2	Current Assets			
	Inventories	16	10,521.94	11,163.27
	Trade receivables	17	5,027.14	6,049.99
	Cash and cash equivalent	18	1,868.42	1,051.16
	Short term loans and advances	19	1,683.45	773.94
	Other current assets	20	23.27	57.26
			19,124.23	19,095.62
	TOTAL		**25,740.33**	**23,275.52**

Summary of significant accounting policies **2.1**

Accompanying Notes are an integral part of financial Statements

As per our report of even date attached

For Rao & Shyam

Chartered Accountants

Firm Registration No: 006186S

CA Vibhor Kala

Partner

Membership No: 143553

Mumbai, 30th May, 2026

UDIN: 26143553OLYFCY8440

for and on behalf of the Board

KARBONSTEEL ENGINEERING LIMITED

Mr. Shrenik Shah	**Mrs. Mittal Shah**
Managing Director	Whole Time Director
DIN-02070901	DIN-07057998
CS Siddhi Parmar	**Ganesh Bhandary**
Company Secretary	Chief Financial Officer
M. No. A60563	

Statement of Profit And Loss for the year ended 31st March, 2026				
				All figures in ₹ lakh
	Particulars	**Note**	**For Year Ended 31.03.2026**	**For Year Ended 31.03.2025**
I	**INCOME**			
	Revenue from operations	21	30,087.75	27,305.35
	Other income	22	81.7	85.47
	TOTAL INCOME		**30,169.45**	**27,390.81**
II	**EXPENSES**			
	Cost of materials consumed	23	20,483.28	22,472.63
	Purchases of stock-in-trade	24	-	-
	Changes in inventories of stock in trade	25	499.74	-3,737.59
	Employee benefits expense	26	1,222.10	1,015.98
	Finance costs	27	1,531.03	1,525.89
	Depreciation and amortization expenses	12	363.56	309.41
	Other expenses	28	4,615.36	3,893.40
	TOTAL EXPENSES		**28,715.07**	**25,479.72**
III	**PROFIT BEFORE TAX**		**1,454.38**	**1,911.10**
	Tax expense			
	Current tax		375.84	476.49
	Earlier year tax		-	-
	Deferred tax		27.76	18.67
IV	**PROFIT FOR THE YEAR**		**1,050.78**	**1,415.93**
	Earning per equity share	29		
	Basic (face value of ₹ 10 each)		8.22	12.78
	Diluted (face value of ₹ 10 each)		8.22	12.78

Summary of significant accounting policies **2.1**

Accompanying Notes are an integral part of financial Statements

As per our report of even date attached

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

CA Vibhor Kala
Partner
Membership No: 143553
Mumbai, 30th May, 2026
UDIN: 26143553OLYFCY8440

for and on behalf of the Board
KARBONSTEEL ENGINEERING LIMITED

Mr. Shrenik Shah	**Mrs. Mittal Shah**
Managing Director	Whole Time Director
DIN-02070901	DIN-07057998
CS Siddhi Parmar	**Ganesh Bhandary**
Company Secretary	Chief Financial Officer
M. No. A60563	

Cash Flow Statement for the year ended 31st March, 2026		
		All figures in ₹ lakh
Particulars	**For Year Ended 31.03.2026**	**For Year Ended 31.03.2025**
Cash flow from operating activities		
Net profit/(Loss) before tax	1,454.38	1,911.10
Adjustments for:		
Depreciation	363.56	309.41
Finance Cost	1,531.03	1,525.89
Share of Profit / Loss in associate companies	-	-
Interest Income	-80.99	-74.14
Operating profit/(Loss) before working capital changes	**3,267.98**	**3,672.26**
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	1,022.86	-1,367.58
(Increase)/Decrease in Inventories	641.32	-3,107.95
(Increase)/Decrease in Short Term Loans & Advances	-909.51	-319.14
(Increase)/Decrease in Other Current Assets	33.99	-52.68
Increase/(Decrease) in Trade Payables	268.06	1,497.85
Increase/(Decrease) in Other Current Liabilities	-1,609.33	815.5
Increase/(Decrease) in Short Term Provisions	-7.23	3.15
Cash generated from operations	**2,708.14**	**1,141.41**
Income tax refund / (paid)	-418.43	-231.14
Net cash generated / (used in) from operating activities	**2,289.71**	**910.27**
Cash flow from investing activities		
Purchase of Fixed Assets	-3,326.73	-1,238.00
Increase/(Decrease) in Long Term Loans and Advances	194.95	332.74
Interest Income	80.99	74.14
Increase/(Decrease) in Non-current Assets	-28.03	-108.1
Decrease/(Increase) in Fixed Deposits	-783.22	-120.23
Net cash (used in) / generated from investing activities	**-3,862.03**	**-1,059.44**
Cash flow from financing activities		
Proceeds from Issue of Share Capital	303.96	571.76
Proceeds from Issue of Security Premium	4,122.08	-330.29

Proceeds from Long Term Borrowing	-565.25	-355.57
Proceeds from Short Term Borrowing	-1,090.40	1,768.53
Proceeds from Reserves & Surplus per Restated	-	-0.36
Increase/(Decrease) in Long Term Provision	6.96	11.35
Finance Cost	-1,531.03	-1,525.89
Net cash used in financing activities	**1,246.33**	**139.52**
Net Increase/(Decrease) In Cash & Cash Equivalents	-325.99	-9.64
Cash equivalents at the beginning of the year	54.36	64.01
Cash equivalents at the end of the year	**-271.63**	**54.36**
Reconciliation of cash and cash equivalents with Balance sheet		
Cash and cash equivalents at end of year (refer Note 12)	1,868.42	1,051.16
Less: Balances not considered as cash and cash equivalents in other deposit accounts with original maturity more than 3 months	1,780.01	996.79
Net cash and cash equivalents at the end of year	**88.41**	**54.36**

Notes:
1. The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS-7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
2. Previous year's figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached	**for and on behalf of the Board**	
For Rao & Shyam	**KARBONSTEEL ENGINEERING LIMITED**	
Chartered Accountants	**Mr. Shrenik Shah**	**Mrs. Mittal Shah**
Firm Registration No: 006186S	Managing Director	Whole Time Director
CA Vibhor Kala	DIN-02070901	DIN-07057998
Partner	**CS Siddhi Parmar**	**Ganesh Bhandary**
Membership No: 143553	Company Secretary	Chief Financial Officer
Mumbai, 30th May, 2026	M. No. A60563	
UDIN: 26143553OLYFCY8440		

1. Background

The Company was originally incorporated as “Karbon Steelmart Private Limited” on 21st April, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra with CIN U74120MH2011PTC216558. Subsequently, the name of the company was changed from “Karbon Steelmart Private Limited” to “Karbonsteel Engineering Private Limited” 2nd March, 2022. Thereafter, the Company was converted into a Public Limited Company and consequently the name of the Company was changed from “Karbonsteel Engineering Private Limited” to “Karbonsteel Engineering Limited” vide a fresh certificate of incorporation consequent upon conversion from private company to public company dated 24th June, 2024 issued by the Registrar of Companies, Mumbai, Maharashtra bearing CIN U74120MH2011PLC216558. Further, the equity shares of the Company were listed on the SME Platform of BSE Limited on 16th September, 2025 and are presently listed on BSE Limited.

2. Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

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

The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

2.2 Use of Estimates

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

2.3 Accounting Convention

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

2.4 Revenue Recognition

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

2.5 Property, Plant & Equipment and Intangible Assets

(i) Property, Plant & Equipment

a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;

b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;

c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;

d) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;

e) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.

f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

(ii) Intangible Assets

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

2.6 Impairment

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

2.7 Retirement Benefits & Other Employee Benefits

Short term Employee Benefits

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

Defined-contribution plans

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

Defined Benefit Plans

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

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

2.8 Inventory

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

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

Work in Progress

Work in progress is valued at weighted average cost or net realisable value. Cost includes the Direct Material, Labour cost & proportion of manufacturing overheads based on the normal operating capacity.

Finished Goods

Finished Goods are valued at net realisable value whichever is lower. Cost includes the Direct Material, Labour cost & proportion of manufacturing overheads based on the normal operating capacity. This cost excludes the GST credit which is already availed.

Trading Goods:

2.9 Cash Flow Statement

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

2.10 Borrowing Costs

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

2.11 Income Tax

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

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

2.12 Earnings Per Share

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

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

2.11 Foreign Exchange Transactions

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

2.12 Provisions And Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably stimulated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure of a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of an outflow of resources is remote, no provision or disclosure is made.

2.13 Cash & Cash Equivalents

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

Note No. 12: PROPERTY PLANT AND EQUIPMENT

All figures in ₹ lakh

	GROSS-BLOCK				DEPRECIATION				NET-BLOCK	
Description	As on 31.03.2025	Additions	Deductions	As on 31.03.2026	Up to 31.03.2025	For the Year	Charged to Reserve	As on 31.03.2026	As on 31.03.2026	As on 31.03.2025
A. TANGIBLE ASSETS:										
OWN ASSETS:										
Land	353.96	64.61	-	418.57	-	-	-	-	418.57	353.96
Factory & Building	2,350.99	204.22	-	2,555.21	305.44	109.99	-	415.43	2,139.78	2,045.55
Computer & Printer	39.98	10.2	-	50.18	23.86	6.61	-	30.47	19.71	16.12
Plant & Machinery	1,883.84	268.93	-	2,152.77	917.85	193.64	-	1,111.49	1,041.28	966
Office Equipments	153.14	7.95	-	161.09	54.72	19.02	-	73.73	87.36	98.42
Furniture & Fixture	37.06	5.01	-	42.07	28.7	2.55	-	31.25	10.81	8.35
Motor & Vehicle	220.63	72.44	60.56	232.51	129.7	25.2	42.76	112.14	120.36	90.93
Total Tangible Assets	**5,039.60**	**633.36**	**60.56**	**5,612.39**	**1,460.27**	**357.01**	**42.76**	**1,774.52**	**3,837.87**	**3,579.33**
B. INTANGIBLE ASSETS:										
Software	21.76	2.84	-	24.6	11.94	6.56	-	18.5	6.11	9.82
Total Intangible Assets	**21.76**	**2.84**	**-**	**24.6**	**11.94**	**6.56**	**-**	**18.5**	**6.11**	**9.82**
C. WORK-IN-PROGRESS										
Civil Work	-	2,348.30	-	2,348.30	-	-	-	-	2,348.30	-
Total CWIP	**-**	**2,348.30**	**-**	**2,348.30**	**-**	**-**	**-**	**-**	**2,348.30**	**-**
Grand Total	**5,061.36**	**2,984.50**	**60.56**	**7,985.29**	**1,472.21**	**363.56**	**42.76**	**1,793.02**	**6,192.28**	**3,589.15**

Last Year	3,823.38	1,237.98	-	5,061.36	1,162.80	309.41	-	1,472.21	3,589.15	2,660.58

Note No. 3: Share Capital

Particulars	As at 31.03.2026	As at 31.03.2025
Authorised:		
1,50,00,000 (PY 1,50,00,000) Equity shares of ₹ 10 each	**1,500.00**	**1,500.00**
Issued, Subscribed and Paid-up:		
1,41,41,822 (PY 1,11,02,222) Equity shares of ₹ 10 each	1,414.18	1,110.22
	1,414.18	**1,110.22**

3.1 : Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	31st March 2026		31st March 2025	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,11,02,222	1,110.22	53,84,578	538.46
Add: Issued during the year	30,39,600	303.96	1,66,533	16.65
Add: Bonus Issue of Equity Shares	-	-	55,51,111	555.11
Outstanding at the end of the year	**1,41,41,822**	**1,414.18**	**1,11,02,222**	**1,110.22**

3.2: Terms / rights attached to Equity Shares

* The company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share.
* Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.

The company has issued 30,39,600 Fresh Shares on 12 Sep, 2025 allotment Equity Shares of ₹ 10 each at the premium of ₹ 149/-
The company has issued 1,66,533 Fresh Shares on 22 Apr, 2024 allotment Equity Shares of ₹ 10 each at the premium of ₹ 135/-
The company has issued 3,88,578 Fresh Shares on 27 Mar, 2024 allotment Equity Shares of ₹ 10 each, at the premium of ₹ 135/-

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

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

3.3: Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares of ₹ 10 each	As at 31.03.2026		As at 31.03.2025		% of Change During the year
	Nos.	% holding	Nos.	% holding	
Shrenik Shah	49,92,240	35.30%	54,06,240	48.70%	-13.39%
Mittal Shah	18,30,160	12.94%	21,06,160	18.97%	-6.03%
Darshana Thakkar	19,80,000	14.00%	19,80,000	17.83%	-3.83%

3.4: Details of Promoters Shareholding in Equity Shares

Name	As at 31.03.2026		As at 31.03.2025		% of Change During the year
	Nos.	% holding	Nos.	% holding	
Shrenik Shah	49,92,240	35.30%	54,06,240	48.70%	-13.39%
Mittal Shah	18,30,160	12.94%	21,06,160	18.97%	-6.03%
Bhavin Kirit Shah	2,99,760	2.12%	2,99,760	2.70%	-0.58%
Smitaben Kirit Shah	1,99,840	1.41%	1,99,840	1.80%	-0.39%

Note No. 4: Reserves & Surplus

Particulars	As at 31.03.2026	As at 31.03.2025
Statement of Profit & Loss		
Balance at the beginning of the year	4,561.83	3,192.30
Add: Profit for the year	1,050.78	1,415.93
Less: Prior period expenses	-	46.41
	5,612.60	**4,561.83**
Securities Premium Account		
Securities premium	4,893.92	920.03
Less: IPO expenses	406.92	-
Less: Capitalisation of reserves for issue of bonus shares	-	555.11
	4,487.00	**364.92**
Balance at the end of the year	**10,099.60**	**4,926.75**

Note No. 5: Long-Term Borrowing

Particulars	As at 31.03.2026	As at 31.03.2025
Tem Loan		
Secured		
From banks	502.08	226.27
Unsecured		
From bank/ NBFC	155.62	130.64
Loans and advances from related parties	356.06	447.1
Loans and advances from others	-	775
	1,013.77	**1,579.01**

5.1 Security Details:

Primary Security

Stock, book debts, PG of directors, FDS margin against BG and LC, current asset

Collateral Security

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

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

Property 3: Land & Building, Plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon, Area-6000 Sq. Ft., (Market Value ₹ 2,819.15 Lakh)

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

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

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

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

Primary/Collateral Security

Hypothecation of all current assets.

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

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

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

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

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

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

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

Note No. 6: Deferred Tax Liability(Net)

Major components of deferred tax balance consist of the following:

Particulars	As at 31.03.2026	As at 31.03.2025
Deferred Tax Assets		
Excess of WDV over net block of fixed assets	-	-
	-	-
Deferred Tax Liability		
Fixed Assets: Impact of difference between book and tax depreciation & gratuity	92.2	64.44
	92.2	**64.44**

Note No. 7: Long Term Provision

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for gratuity fund	42.21	35.25
	42.21	**35.25**

Note No. 8: Short Term Borrowings

Particulars	As at 31.03.2026	As at 31.03.2025
Cash credit from bank (secured)	3,443.56	3,172.86
Bill discounting / channel finance	1,077.49	2,438.59

	4,521.05	**5,611.45**

Note No. 9: Short Term Borrowings

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Total outstanding dues of micro enterprises and small enterprises and;	159.48	270.02
(b) Total outstanding dues of other than micro enterprises and small enterprises	7,140.54	6,761.95
	7,300.02	**7,031.97**

9.1 Trade payables ageing schedule for the years ended as on March 31, 2026 and March 31, 2025 is as follows:

Outstanding for following period from due date of payment	Outstanding dues to MSME	Others	Outstanding dues to MSME	Others
Less than 6 months	-	-	-	-
Less than 1 Year	159.48	7,140.54	270.02	6,743.75
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 Years	-	-	-	18.19
	159.48	**7,140.54**	**270.02**	**6,761.95**

Note No. 10: Other Current Liability

Other Payables	As at 31.03.2026	As at 31.03.2025
Current maturities of long term debt	471.6	664.73
Salary & employee benefit	89.46	72.6
Statutory dues	34.76	224.89
Sundry creditors for capital goods	10.29	6.78
Director remuneration payable	8.01	3.93
Sundry creditors for expenses	258.5	1,509.01
	872.62	**2,481.94**

Note No. 11: Short Term Provision

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for income tax	381.74	424.33
Provision for audit fees	-	7.9
Provision for gratuity fund	2.94	2.26
	384.68	**434.5**

Note No. 13: Long Term Loans & Advances

Particulars	As at 31.03.2026	As at 31.03.2025
Loans to employees (I)	10.22	13.83
Advance for construction	2.2	88.57
Advance to supplier (I)	5.33	22.76
TDS recoverable (I)	2.34	1.89
Retention money (I)	69.25	157.24
	89.35	**284.3**

Note No. 14: Deferred Tax Assets(Net)

Major components of deferred tax balance consist of the following:

Deferred Tax Assets	As at 31.03.2026	As at 31.03.2025
Fixed Assets: Impact of difference between Book and Tax Depreciation & gratuity	-	-
	-	**-**

Note No. 15: Other Non-Current Assets

Particulars	As at 31.03.2026	As at 31.03.2025
Security deposits	329.12	300.41
Rent deposits (I)	5.36	6.04
	334.48	**306.45**

Note No. 16: Inventories

Particulars	As at 31.03.2026	As at 31.03.2025
Raw materials & packing materials	297.36	438.94
Work-in-progress	10,024.88	10,524.61
Trading goods	199.71	199.71
	10,521.94	**11,163.27**

Note No. 17: Trade Receivables

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Secured, considered good;	-	-
(b) Unsecured, considered good;	5,027.14	6,049.99
(c) Doubtful	-	-
	5,027.14	**6,049.99**

17.1: The trade receivables ageing schedule for the years ended as on March 31, 2026 and March 31, 2025 is as follows :

Outstanding for following period from due date of payment:

Particulars	As at 31.03.2026	As at 31.03.2025
Not Due	-	-
Less than 6 months	4,764.20	5,535.44
6 months - 1 year	6.95	174.83
1-2 years	132.01	64.82
2-3 years	30.11	33.98
More than 3 Years	93.88	240.93
	5,027.14	**6,049.99**

Note No. 18: Cash & Cash Equivalent

Particulars	As at 31.03.2026	As at 31.03.2025
Cash in Hand	4.78	2.95
Balances with Scheduled Banks:		

Balances with banks	83.63	51.41
Balance with fixed deposits	1,780.01	996.79
	1,868.42	**1,051.16**

Note No. 19: Short Term Loans & Advances

Particulars	As at 31.03.2026	As at 31.03.2025
Loans to employees	25.36	49.26
Prepaid expense	207.47	7.15
Retention money	603.39	407.09
Balances with Govt. authorities	356.55	139.21
TDS recoverable	8.66	0.52
Advance to supplier	482.02	170.71
	1,683.45	**773.94**

Note No. 20: Other Current Assets

Particulars	As at 31.03.2026	As at 31.03.2025
Rent deposits	23.27	12.86
IPO expenses	-	44.4
	23.27	**57.26**

Note No. 21: Revenue From Operations

Particulars	As at 31.03.2026	As at 31.03.2025
Sale of Iron & Steel Goods		
Trading goods	-	15.45
Manufactured goods	31,107.62	30,743.93
Fabrication sales	830.19	431.02
Less: Inter branch elimination	-1,850.91	-3,887.55
	30,086.89	**27,302.85**
Other Operating Income		
Scrap sales	0.86	2.5
	30,087.75	**27,305.35**

Note No. 22: Other Income

Particulars	As at 31.03.2026	As at 31.03.2025
Interest on fixed deposits	80.99	74.14
Miscellaneous income	0.71	11.32
	81.7	**85.47**

Note No. 23: Cost of Material Consumed

Particulars	As at 31.03.2026	As at 31.03.2025
Details of Raw Material Consumed		
Inventory at the beginning of the year	438.94	1,068.58
Add: Purchases of raw material	21,798.97	24,807.76
Add: Purchases of raw material import	-	481.74
Add: Direct expenses for raw material	393.64	441.04
Less: Inter branch elimination	-1,850.91	-3,887.55
	20,780.63	22,911.57
Less: Inventory at the end of the year	297.36	438.94
Raw material consumed	**20,483.28**	**22,472.63**

Note No. 24: Purchase of Stock in Trade

Particulars	As at 31.03.2026	As at 31.03.2025
Purchase of Trading Goods	-	-
Direct Expenses of Trading Goods	-	-
Less: Inter Branch Elimination	-	-
	-	**-**

Note No. 25: Changes in Inventories of Stock in Trade

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Inventories		
Traded goods	199.71	215.17
Work in progress	10,524.61	6,771.57

	10,724.33	**6,986.73**
Closing Inventories		
Traded goods	199.71	199.71
Work in progress	10,024.88	10,524.61
	10,224.59	**10,724.33**
	499.74	**-3,737.59**

Note No. 26: Employee Benefit Expenses

Particulars	As at 31.03.2026	As at 31.03.2025
Salaries, bonus and wages	931.72	808.59
Director remuneration	90	60
PF, ESIC admin charges	76.48	61.88
Gratuity	8.36	12
Staff welfare expenses	52.15	27.61
Incentives	63.39	45.89
	1,222.10	**1,015.98**

Note No. 27: Finance Cost

Particulars	As at 31.03.2026	As at 31.03.2025
Bank Interest		
Interest on term loan	7.7	107.08
Interest on unsecured loan	420.05	352.67
Interest on vehicle loan	7.21	28.38
Interest on CC/ OD	259.41	317.12
LC & bill discounting	777.55	657.18
Loan processing & other charges	59.1	63.46
	1,531.03	**1,525.89**

Note No. 28: Other Expenses

Particulars	As at 31.03.2026	As at 31.03.2025
Direct Expense		

Freight & transports charges	1.15	10.07
Hiring charges	196.44	160.15
Labour charges	2,244.03	2,067.93
Packing & forwarding charges	-	0.75
Detention charges	-	10.99
Factory rent	394.02	154
Testing charges	13.84	4.92
Security charges	93.38	45.85
Power & fuel	693.37	581.85
Factory expenses	123.2	176.29
Indirect Expense		
Advertisement	1.45	0.15
Audit fees	6	6
Bad debts	165.06	-
Bank charges	50.74	52.9
Brokerage	27.41	143.8
Business promotion	10.7	6.54
Car hiring charges	25.48	24.8
Conveyance expenses	11.05	7.1
Professional tax	-	0.03
Computer expenses	2.95	1.41
Donation	1.05	-
CSR expenditure	26.5	15.04
Office maintenance	3.2	2.38
Rates & taxes	41.58	3.37
Rent expenses	34.9	30
GST expenses	24.61	14.17
Interest on delay payment to supplier	18.02	19.71
Interest on income tax	41.33	38.01
Interest on late payment of statutory dues	23.4	8.48
Insurance charges	17.44	11.97
Loss on sale of assets	1.01	-
Miscellaneous expenses	5.1	7.34

Legal & professional charges	132.74	108.28
Depositary charges	1.95	8.94
Office expenses	7.22	6.45
Printing & stationery	2.38	2.3
Rent on machinery	8.09	6.31
Repair & maintenance	56.05	37.49
ROC filing fees	-	-
Telephone expenses	5.62	2.8
Foreign exchange loss	-	7.95
Travelling expenses	102.89	106.88
	4,615.36	**3,893.40**

Note No. 29: EPS

EPS is calculated as per the Accounting Standard-20 issued by The Institute of Chartered Accountants of India.

Particulars	Current Year	Previous Year
Profit / (Loss) After Tax (A)	1,050.78	1,415.93
Weighted Avg. No. of Equity Shares (B)	12,776,084	11,083,059
Face Value per Share	Rs.10	Rs.10
Basic & Diluted EPS (A/B)	8.22	12.78

Note No. 30: Details of foreign Exchange Earnings and Outgo

Sr. No.	Particulars	Current Year	Previous Year
1	**Earning in Foreign Exchange:**		
	Export of Goods	Nil	Nil
2	**Expenditure in Foreign Currency:**		
(a)	CIF Value of Imports	Nil	Nil
(b)	Other Expenditure	Nil	Nil

Note No. 31: Details of Corporate Social Responsibility (CSR) expenditures

Particulars	Current Year	Previous Year
Amount required to be spent by the company during the year, as per Section 135 of the Act	26.5	15.04
Amount of expenditure incurred on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other then (i) above	26.5	15.04
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	1. Child Education 2. Environment Protection	1. Child Education 2. Environment Protection
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

Note No. 32: Contingent liabilities and commitments

Particulars	As at 31.03.2026	As at 31.03.2025
Claims against the Company not acknowledged as debt		
Custom Duty saved on import of Capital Goods under EPCG Scheme	-	-
Bank Guarantees	63.84	135.54
Indirect Tax Liability	-	-
Amount of Capital Commitments	-	-
Corporate Guarantee Given by Company	-	-
Total	**63.84**	**135.54**

Note No. 33: Segment Accounting

Business Segment

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

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

Geographical Segment

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

Note No. 34: Notes

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

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

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

Note No. 35: Disclosure of Ratio

Sr No.	Ratios	Numerator	Denominator	Current Period	Previous Period	Variance	Remarks
1	Current ratio	Current assets	Current liabilities	1.46	1.23	0.19	Higher current asset holdings and faster clearing of short-term liabilities.
2	Debt Equity Ratio	Debt	Shareholder's Equity	0.48	1.19	-0.60	Significant debt repayment and increase in total equity base.
3	Debt Service coverage ratio	Net Operating Income	Debt Obligation	1.02	2.89	-0.65	Lower net operating cash flows available for debt service obligations.
4	Return on Equity Ratio	Profit for the year	Avg Shareholders Equity	7%	17%	-0.58	Decline in net profit combined with an increased equity base.
5	Inventory Turnover Ratio	COGS	Average Inventory	1.94	1.95	-0.01	Negligible change; steady inventory holding period.
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	1.36	1.27	0.07	Marginally improved collection speed from debtors.
7	Trade payables turnover ratio	Total Purchases	Average Trade Payables	1.84	2.27	-0.19	Extended payment terms and higher average supplier payables.
8	Net working capital turnover ratio	Sales	Avg Working Capital	3.85	5.47	-0.30	Higher working capital block-up relative to sales growth.
9	Net profit ratio	Net Profit	Sales	0.03	0.05	-0.33	Margin squeeze due to increased

							operational costs and overheads
10	Return on Capital employed	EBIT	Capital Employed	17%	26%	-0.33	Lower EBIT generated against a higher total capital base.
11	Return on investment	Net Profit	Investment	NA	NA	NA	NA

Note No. 36: Related Party Transactions

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India the Company's related parties and transaction are disclosed below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a) Particulars of Key Management Personnel:

Sr No.	Particulars	Relationship
1	Shrenik Kirit Shah	Managing Director
2	Mittal Shrenik Shah	Whole-time Director
3	Kirit Shah	Director till date 25/08/2022
4	Saurabh Bhansali	Director w.e.f 01/07/2024
5	Sunil Kathariya	Independent Director w.e.f 01/05/2024
6	Mihen Jyotindra Halani	Independent Director w.e.f 01/07/2024
7	Jankhana Vasanji Gala	Company Secretary w.e.f 01/07/2024
8	Siddhi Parmar	Company Secretary w.e.f 01/07/2025
9	Samridhi Bhansali	Chief Financial Officer (July 9, 2024 till Jan 31, 2025)
10	Ganesh Shripati Bhandary	Chief Financial Officer w.e.f 01/02/2025

b) Particulars of Relative of Key Management Personnel & Directors:

Sr No.	Particulars	Relationship
1	Kirit Shantilal Shah HUF	HUF
2	Smita Shah	Mother of Director
3	Bhavin Kirit Shah	Brother of Director
4	Prowise Advisory Private Limited	Saurabh Bhansali being Common Director
5	Desai Bhansali & Associates LLP	Saurabh Bhansali being Designated Director

(ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Key Managerial Personnel - Current Year	Key Managerial Personnel - Previous Year	Relative of (KMP) - Current Year	Relative of (KMP) - Previous Year	Enterprise under management of Key Managerial Personnel or Relative of (KMP) - Current Year	Enterprise under management of Key Managerial Personnel or Relative of (KMP) - Previous Year
a)	**Director Remuneration**						
	Mittal Shrenik Shah	30	24	NA	NA	NA	NA
	Shrenik Kirit Shah	75	36	NA	NA	NA	NA
b)	**Office Rent**						
	Shrenik Kirit Shah	51	63	NA	NA	NA	NA
	Mittal Shrenik Shah	15	15	NA	NA	NA	NA
c)	**Interest Expense**						
	Shrenik Kirit Shah	1.72	12.98	NA	NA	NA	NA
	Smita Shah	NA	NA	2.95	5.17	NA	NA
	Bhavin Kirit Shah	NA	NA	28.56	26.7	NA	NA
d)	**Legal & Professional Charges**						
	Bhavin Kirit Shah	NA	NA	4.25	1.2	NA	NA
	Desai Bhansali & Associates LLP	NA	NA	NA	NA	5	0
e)	**Salary**						
	Samridhi Bhansali	0	8.1	NA	NA	NA	NA
	Jankhana Vasanji Gala	0	2	NA	NA	NA	NA
	Ganesh Shripati Bhandary	11	1.6	NA	NA	NA	NA
	Siddhi Parmar	7.89	0	NA	NA	NA	NA
f)	**Loan Taken**						
	Mittal Shrenik Shah	7.73	155.78	NA	NA	NA	NA
	Shrenik Kirit Shah	166.16	288.98	NA	NA	NA	NA

g)	**Loan Given to employee**						
	Ganesh Shripati Bhandary	3.25	0	NA	NA	NA	NA
h)	**Loan Recovered from employee**						
	Ganesh Shripati Bhandary	0.65	0	NA	NA	NA	NA
i)	**Loan Repaid**						
	Mittal Shrenik Shah	43.66	266.77	NA	NA	NA	NA
	Shrenik Kirit Shah	173.24	621.22	NA	NA	NA	NA
	Kirit Shantilal Shah HUF	NA	NA	0	67.21	NA	NA
	Smita Shah	NA	NA	3.5	55.02	NA	NA
	Bhavin Kirit Shah	NA	NA	76.08	3.67	NA	NA
	Balance as on 31st March						
j)	**Long term borrowings**						
	Mittal Shrenik Shah	5.54	41.47	NA	NA	NA	NA
	Shrenik Kirit Shah	46.9	52.42	NA	NA	NA	NA
	Smita Shah	NA	NA	32.63	33.47	NA	NA
	Bhavin Kirit Shah	NA	NA	269.35	319.73	NA	NA
k)	**Director Remuneration Payable**						
	Mittal Shrenik Shah	4.98	1.67	NA	NA	NA	NA
	Shrenik Kirit Shah	3.03	2.26	NA	NA	NA	NA
l)	**Loan given to employees**						
	Ganesh Shripati Bhandary	2.51	0.78	NA	NA	NA	NA
m)	**Rent payable**						
	Mittal Shrenik Shah	14.18	0	NA	NA	NA	NA
	Shrenik Kirit Shah	3.51	0	NA	NA	NA	NA
n)	**Professional fee Payable**						

	Prowise Advisory Private Limited	NA	NA	NA	NA	1.3	0
o)	**Salary payable**						
	Ganesh Shripati Bhandary	0	NA	NA	NA	NA	NA
	Siddhi Parmar	0.67	NA	NA	NA	NA	NA
p)	**Performance incentive payable to director**						
	Shrenik Kirit Shah	15	NIL	NA	NA	NA	NA

Note No. 37: Additional regulatory information required by Schedule III of Companies Act,2013

37.1: Details of Benami property

No proceeding have been initiated or are pending against the Company for holding any Benami property under the Benami Transaction (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.

37.2: Utilisation of borrowed funds and share premium:

(a) The Company has not advanced or loaned or invested funds to any other person (s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like or on behalf of the ultimate beneficiaries.

(b) The Company has not received any fund from any person (s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like or on behalf of the ultimate beneficiaries.

37.3: Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act,2013.

37.4: Compliance with approved scheme (s) of arrangements

The Company has not entered into any scheme or arrangement which has an accounting impact on current or previous year.

37.5: Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

37.6: Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

37.7: Valuation of Property, Plant and Equipment

The Company does not have any Plant & Machinery, hence the question of revaluation during the current or previous year does not arise.

37.8:Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

37.9:Details of Transaction with Struck of Companies

There are no Transactions with Struck of Companies during the Current and Previous Year.

38. The previous year figures have been regrouped/ reclassified, wherever necessary to confirm the current year presentation.

For Rao & Shyam	**KARBONSTEEL ENGINEERING LIMITED**	
Chartered Accountants	**Mr. Shrenik Shah**	**Mrs. Mittal Shah**
Firm Registration No: 006186S	Managing Director	Whole Time Director
CA Vibhor Kala	DIN-02070901	DIN-07057998
Partner	**CS Siddhi Parmar**	**Ganesh Bhandary**
Membership No: 143553	Company Secretary	Chief Financial Officer
Mumbai, 30th May, 2026	M. No. A60563	
UDIN: 26143553OLYFCY8440		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th Annual General Meeting of the members of Karbonsteel Engineering Limited ("the Company") will be held on Wednesday, September 23, 2026 at 3.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Standalone Financial Statements of the company for the financial year ended March 31, 2026, together with the Independent Auditor's Report thereon and Report of the Board of Directors' thereon;

2) To re-appoint Mr. Shrenik Kirit Shah (DIN: 02070901), as Managing Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3) RATIFY THE REMUNERATION PAYABLE TO COST AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2026-27:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s Mayur Chhaganbhai Undhad & Co, (Registration No.103961) appointed by the Board of Directors of the Company, on recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year 2026-27, amounting to Rs. 17,000/- p.a. (Rupees Seventeen Thousand only) be and is hereby ratified and confirmed."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deed, things and matters to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4) TO CONSIDER AND APPROVE CREATION OF SECURITY(IES) ON THE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN FAVOUR OF LENDERS IN TERMS OF PROVISIONS OF SECTION 180(1)(A) OF COMPANIES ACT, 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all previous resolutions passed by the Company in this regard, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company and as recommended by the Audit Committee and Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to maximum amount upto Rs. 400,00,00,000/- (Rupees Four Hundred Crores Only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

5) **TO CONSIDER AND APPROVE INCREASE IN THE BORROWING LIMITS OF THE COMPANY UPTO RS. 400 CRORES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in supersession of all previous resolutions passed by the Company in this regards, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), applicable regulations framed by Securities Exchange Board of India, applicable provisions of Foreign Exchange Management Act, 1999 read with rules or regulations framed thereunder, enabling provisions of the Memorandum and Articles of Association of the Company and such other applicable laws and regulations and subject to the permissions, approvals, consents and sanctions as may be necessary to be obtained from appropriate authorities, to the extent applicable, consent of the Members of the Company be and is hereby accorded to empower Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include, unless the context otherwise requires, any Committee, including the Finance and the Investment Committee, which the Board may have constituted or hereinafter constitute or any officer(s) authorised by the Board or Committee to exercise the powers conferred on the Board by this Resolution) for borrowing, for and on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, in any manner, and without prejudice to the generality there of, by way of non-fund based assistance, term loan, guarantees, working capital facilities, overdraft facilities, lines of credit, inter corporate deposits, credit facilities, external commercial borrowings or any other form of financial assistance in any form including but not limited to by way of draw-down or issue of securities (including but not limited to debentures, bonds, commercial papers etc.), in Indian rupees or any other foreign currency, from any person including but not limited to any company, individual, body corporate, banks, related parties, financial institutions or any other person, whether Indian or foreign, whether in India or outside India, upon such terms & conditions as regards to interest, repayment, tenor, security or otherwise, as the Board may determine and think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining undischarged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so, such that the total amount up to which money may be borrowed by the Board under this resolution, at any one time or in part shall not exceed, in the aggregate, the sum of Rs. 400,00,00,000/- (Rupees Four Hundred Crores Only) and / or in equivalent foreign currency;

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded to delegate the power to the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) to use / modify / amend / reduce / enhance the existing or new borrowing facilities interchangeably among various lenders, without any restriction on borrowing from a specific lender, subject to the overall borrowing limit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Shrenik Kirit Shah, Managing Director (DIN: 02070901) and/or Mittal Shrenik Shah, Whole Time Director (DIN: 07057998) of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

For Karbonsteel Engineering Limited

Siddhi Parmar

Company Secretary & Compliance Officer

Membership No. A60563

Date: 26th August, 2026

Registered office:

B-8, Ratnadeep Cosmopolitan CHS Ltd.,

140-141 S.V. Road, Near Shoppers Stop,

Andheri West, Mumbai – 400058.

CIN: L74120MH2011PLC216558

Email: cs@karbonsteel.com

Website: www.karbonsteel.com

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning Special Businesses under Item Nos. 3, 4 & 5 of the accompanying Notice, is annexed hereto. The Board of Directors have considered that the Special businesses under Item Nos. 3, 4 & 5 being considered unavoidable, be transacted at the 15th Annual General Meeting ("AGM") of the Company to be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility.

2. A brief resume of re-appointed Director proposed at this AGM, nature of their expertise in specific functional areas, names of Companies in which they hold the Directorship and Membership /Chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulation) and other requisite information as per Secretarial Standard-2 on General Meetings, are attached herewith.

3. The Ministry of Corporate Affairs ('MCA') vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 03/2025 dated September 22, 2025 (collectively referred to as “MCA Circulars”), permitted companies to convene their Annual General Meeting (“AGM”/“Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of members at a common venue.

4. Further, the Securities and Exchange Board of India (“SEBI”), vide its circulars issued from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), including the SEBI LODR Master Circular updated on January 30, 2026 (collectively referred to as the “SEBI Circulars”), has permitted listed entities to hold AGMs through VC/OAVM and dispense with the dispatch of physical copies of the Annual Report.

5. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“the Act”), the SEBI Circular and MCA Circulars, the 15th AGM of the Company is being held through VC/OAVM on Wednesday, September 23, 2026 at 3.00 P.M. (IST). The deemed venue for the AGM shall be the Registered Office of the Company.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to

its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

9. This AGM is being held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. Members have to attend and participate in the ensuing AGM though VC/OAVM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://karbonsteel.com/ . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and General Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 03/2025 dated September 22, 2025 (collectively referred to as "MCA Circulars").

12. The Board of Directors has appointed Ms. Amita Karia, Practising, Company Secretaries (FCS 11066, CP 16962) as a Scrutinizer for scrutinizing the voting process in a fair and transparent manner.

13. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing. The voting results along with the consolidated Scrutinizer's Report shall be submitted by the Company to the Stock Exchange i.e., BSE within two working days of conclusion of the AGM.

14. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing and shall be communicated to the stock exchange.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Sunday, September 20, 2026 and ends on Tuesday, September 22, 2026. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <16.09.2026> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** **dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

	3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the

	remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be re-directed to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at cs@karbonsteel.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and all other documents if any referred to in the Annual Report, will be available electronically for

inspection. Members seeking to inspect such documents can send an email to cs@karbonsteel.com.

8. Shareholders who would like to express their views or ask any questions or queries, are requested to write to us at cs@karbonsteel.com on or before September 17, 2026.

   The same will be answered by the chairman during the Annual General Meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

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

ITEM NO.3

The Board of Directors at its meeting held on 30th May, 2026, on the recommendation of the Audit Committee, had considered and approved the appointment and remuneration of M/s Mayur Chhaganbhai Undhad & Co, (Registration No.103961), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year 2026-27, at a remuneration amounting to Rs. 17,000/- p.a. (Rupees Seventeen Thousand only) plus Goods & Service Tax & re-imbursement of out-of-pocket expenses in connection with the audit. Further the Company has received their eligibility and consent to act as cost auditors.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2026-27.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

The Board of the Directors recommends the **Ordinary Resolution** set out at Item No. 3 of the Notice for approval of the members.

ITEM NO.4 & 5

Keeping in view the existing and future financial requirements to support its business operations, the Company may need additional funds. The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder. The borrowings of the Company may in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of it's authorised Committee of the Company from time to time, in consultation with the lender(s). It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 4 and Item No. 5 of the Notice, to enable the Board of Directors to borrow money upto Rs. 400 Crores (Rupees Four Hundred Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

None of the Directors and the Key Managerial Personnel's of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

The Board recommends the Special Resolution as set out at item No. 4 & 5 for the approval of the Shareholders.

Yours Sincerely,

By Order of the Board of Directors

For Karbonsteel Engineering Limited

Siddhi Parmar

Company Secretary & Compliance Officer

Membership No. A60563

Date: 26th August, 2026

Registered office:

B-8, Ratnadeep Cosmopolitan CHS Ltd.,

140-141 S.V. Road, Near Shoppers Stop,

Andheri West, Mumbai – 400058.

CIN: L74120MH2011PLC216558

Email: cs@karbonsteel.com

Website: www.karbonsteel.com

ANNEXURE TO THE NOTICE OF AGM

Details of Directors retiring by rotation, seeking appointment / re-appointment / fixation of remuneration at the ensuing Annual General Meeting

(Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India)

Name of Director	Mr. Shrenik Kirit Shah
Director Identification Number (DIN)	02070901

Category	Managing Director
Date of Birth	16th October, 1980
Nationality	Indian
Age	45 years
Date of the first appointment on the Board	25th April, 2011
Qualifications	International Master of Business Administration
Expertise in specified field and Experience	Mr. Shrenik Kirit Shah has an overall experience of more than 19 years in the steel trading and structural steel fabrication industry.
Number of Board Meetings attended in the Financial Year 2025-26	13 (Thirteen)
Directorships held in other Companies *	Nil
Chairmanship/ Membership in the Committees of the Boards of other companies in which he is Director * and Name of listed entities from which the person has resigned in the past three years	Nil
Relation with Key Managerial Personnel and Directors	Husband of Mrs. Mittal Shrenik Shah, Whole-time Director of the Company
Shareholding in the Company as on 31st March, 2026	4994640 (No. of Shares)

Terms & Conditions of appointment or re- appointment / remuneration	Mr. Shrenik Kirit Shah, Managing Director of the Company and liable to retire by rotation. Terms & conditions of appointment of Mr. Shrenik Kirit Shah, Managing Director are as per resolution passed by the members at the Extra-Ordinary General Meeting held on July 5, 2024.
Remuneration details (Including Sitting Fees & Commission)	Rs. 72,00,000/- p.a.